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# USSR Report

PROBLEMS OF THE FAR EAST

No 3, JUL-SEP 1985



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3 April 1986

# USSR REPORT

## PROBLEMS OF THE FAR EAST

### No 3, JUL-SEP 1985

Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language journal PROBLEMY DAL'NEGO VOSTOKA published quarterly in Moscow by the Far East Institute, USSR Academy of Sciences.

### CONTENTS

* U.S., USSR Global, Asian Policies Contrasted (pp 3-12).....	1
* USSR's Role in Ending WW II, Effect on Asian Liberation Seen (pp 13-34) (I. I. Kovalenko).....	11
Soviet-Mongolian Cooperation in World War II (pp 37-46) (Ch. Purevdorzh) (not translated)	
* North Korean Development Successes, Ties with USSR Noted (pp 44-55) (V. I. Andreyev, V. I. Osipov).....	33
* Goals of Japan's Economic "Aid" to Third World Assailed (pp 56-64) (O. V. Vasilyev).....	45
PRC: Reforms in Capital Construction (pp 71-81) (L. V. Novoselova).....	54
Development of PRC Domestic Trade (pp 82-86) (B. K. Zhizhov).....	67
* Results of Third Session of China's Sixth Congress Summed Up (pp 78-84) (G. A. Alekseyev).....	73
* Western Debates on Chinese Economic Reforms Viewed (pp 85-88) (Yu. M. Ryakin).....	80
* Chinese Scholars on CCP History After PRC's Creation (pp 89-98) (A. S. Ipatova, Yu. M. Ovchinnikov, V. N. Usov, K. V. Shevelev)...	84
* The Huangpu Military School and the Chinese Revolution (pp 99-107) (A. G. Yurkevich).....	94

\* Translation taken from English-language FAR EASTERN AFFAIRS No 4, 1985.

CONTENTS (Continued)

Establishment of Sociopolitical Platform of XIN QINGNIAN Journal  
(pp 119-128)

(M. A. Aslanova) (not translated)

The Work and Life of Nikolay Spafariy (pp 129-139)

(V. S. Myasnikov, V. N. Tarasov) (not translated)

Tokyo Dialogues (pp 140-152)

(N. T. Fedorenko) (not translated)

The Inspiring Example of the Great Feat (pp 153-165)

(Ye. A. Serebryakov) (not translated)

PRC: Problems in Development of National Language (pp 166-176)

(A. A. Moskaev)..... 103

Xia Yan and the Chinese Cinema (pp 177-182)

(S. A. Toroptsev) (not translated)

My Life (pp 183-184)

(Ai Qing) (not translated)

\* Activism of Japan's Soka Gakkai Organization Described (pp 132-136)

(A. Yu. Stoletov)..... 116

\* Article Alleges "Soviet Conspiracy" Against China in 1920's (pp 137-139)

(S. A. Zhdanov)..... 121

Book Reviews

\* Book on Soviet Army's Manchurian Campaign Reviewed  
(pp 140-144)

(V. V. Semenov)..... 124

\* Book on Changes in PRC Economic Structure Reviewed  
(pp 144-147)

(V. Ya. Portyakov)..... 130

\* Japanese Book on Myth of "Soviet Threat" Reviewed (pp 148-151)

(I. V. Romanenko)..... 134

Review of "Keizai kokubo-ron" by Keitaro Hasegawa (pp 202-205)

(D. Yu. Bandura) (not translated)

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## U.S., USSR GLOBAL, ASIAN POLICIES CONTRASTED

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[Editorial: "Two Courses in World Politics"]

Throughout its history the Soviet Union has unswervingly and consistently pursued a policy of peace and peaceful coexistence. This is determined by our social order, our ethics and world outlook. Socialism, as Lenin pointed out, will prove its superiority not by force of arms but by example. The Soviet state, he said, wanted to live in peace with all peoples and devoted all its potential to domestic construction. Steadfastly following the instructions of its great founder, the CPSU and the Soviet state have always striven, as is said in Lenin's Decree on Peace, to achieve the delivery of mankind from the horrors of war and its consequences. Our country has tirelessly and persistently addressed and continues to address governments and peoples with proposals aimed at preserving and promoting peace. It aspires to involve all nations, every population group in all countries and on all continents in this noble struggle.

The upholding of peace, the creation of favourable international conditions for the building of communism in this country, comprehensive support for the cause of social and national liberation, and for the progress of the whole of mankind has always been and remains the supreme goal of Soviet foreign policy. The Soviet Union will do everything in its power to ensure a peaceful future for the present and coming generations.

●

In an international situation, which has been extremely aggravated and compounded through no fault of its own, the Soviet Union, together with other socialist countries, continues to wage a difficult struggle crucial to the destiny of our planet, and aimed to improve the situation and to make headway in the key sectors of constructive diplomacy. Such is the continuity in practice of the general course of the CPSU's and the Soviet state's peaceful foreign policy, a course which is preserved despite turnarounds and zig-zags in the policies pursued by some capitalist countries, the US most of all.

The history of our country has graphically demonstrated the great vitality of the principles of socialist foreign policy, while revealing its major features and specifics. This policy is based on the unshakable principles of Marxism-Leninism, and this makes it possible to discern rightly and with due account of the current requirements the most profound trends and perceive the most important regularities in international relations, and then work out a practical foreign policy line accordingly. This policy incorporates devotion to socialism's class goals, an organic combination with political realism, and flexibility. Its aim is to rebuff all and any manifestations of aggressive imperialist policy, search for and find mutually acceptable solutions to international issues. Summing up its experience in the area of foreign policy, the CPSU puts forward a scientifically substantiated foreign policy programme at every historical stage, and maps out the ways and means of ensuring its implementation. The April 1985 Plenary Meeting of the CPSU Central Committee confirmed the continuity of the strategy, worked out by the 26th CPSU Congress and the subsequent Plenary Meetings of the Party's Central Committee. Emphasis was placed on the Leninist interpretation of continuity which signifies uninterrupted progress, the exposure and solution of new pro-

blems, and the elimination of anything that hinders development. This will be in the Party's attention during preparations for the 27th CPSU Congress, which will undoubtedly become a milestone in this country's development.

The April 1985 Plenary Meeting of the CPSU Central Committee has convincingly demonstrated that the Party and the Soviet government have nothing but creative plans. All our thoughts are aimed at raising the living standards of this and future generations of Soviet people and enriching their cultural life. In order to implement these grandiose plans the Soviet people need peace and stability in international relations.

Forty years have passed since the Great Victory over German fascism and Japanese militarism, but the wounds inflicted by history's most horrible war have not yet healed. The war left its most destructive and bloody mark on this soil. The peoples of East European countries and of all the states in the anti-Hitler coalition, also made great sacrifices in order to achieve Victory. This must constantly be recalled in order to prevent the repetition of anything similar, especially given that in a space age, an age of nuclear missiles, a world war would amount to a total nuclear catastrophe. To prevent such a disaster, to thwart such a monstrous threat—that is the chief objective of the foreign policy pursued by the CPSU and the Soviet government. The Soviet Union neither belittles nor exaggerates the seriousness of the factors that cause international tension and hinder progress towards disarmament. The latter is a problem central to the elimination of the threat of a military holocaust, to the concentration of efforts in order to resolve the ever more acute global issues as part of the general cardinal goal of using money and resources to further mankind's peaceful development.

Today the peoples of the world face the task of disarmament under conditions when the fly-wheels of the military-industrial complexes of the leading capitalist countries are spinning as never before. Can this task be accomplished at the present stage of world development? Throughout its existence the USSR had to act on the world scene in conditions when all its peaceful initiatives and businesslike, constructive proposals aimed at promoting the peaceful coexistence of states with different social systems met with obstacles and difficulties. The period of detente, i. e., the first half of the 1970s, was not without its crises either, when imperialist circles did resort to the force of arms. It is sufficient to recall the US military intervention in Indochina. The arms race continued during that period as well, spurred on for economic and political reasons by the NATO leading powers. The USSR and its allies had to bear this in mind and maintain the necessary level of the defence potential. Nevertheless, thanks to the persistent efforts of the socialist countries, much was done in the 1970s to reduce the threat of nuclear war and limit the race of the most dangerous weapons. The SALT II agreement, signed by the Soviet Union and the US in Vienna in June 1979, set forth for the first time direct prerequisites for further progress towards genuine disarmament. That is why it aroused such vehement resistance from the reactionary circles of the US bourgeoisie who could not stand the mere mention of agreements with the USSR, least of all agreements on disarmament. They managed to influence large sectors of the US population and bring an extremely militaristic grouping to power. How is the constructive foreign policy pursued by the USSR and other socialist countries affected by the present US administration's massive military build-up, the proclamation of anti-communist crusades, the use of force in the Middle East and Central America, and by its other aggressive actions? All of this forces the Soviet Union to devote serious attention to strengthening its defences.

The fraternal socialist countries want to compete with capitalist countries not in the area of making newer and newer deadly weapons systems

but in the sphere of the economy, science and technology. They want the goals of this competition to be peaceful. Having started to work out draft plans for economic and social development over the next five years, the socialist countries proceed from the directives of the CMEA summit meeting which was held in June 1984. It mapped out a course for expanding further the scale and raising the efficiency of cooperation in the area of economic development. Collective work to speed up scientific and technical progress was given priority in the CMEA plan. The fraternal socialist countries attach special importance to working out a comprehensive programme of scientific and technical progress to the year 2000.

While large-scale multilateral agreements on cooperation in production and the joint exploitation of natural resources are being worked out, the first bilateral programmes for economic and scientific-technical cooperation between socialist countries up to the end of this century have already been agreed upon.

Advancing along this road, the countries of the socialist community demonstrate once again their adherence to the ideas of peaceful coexistence and cooperation with the states of a different social system. They come out for the implementation of a policy under which each system will work to prove by example, rather than by force of arms, which is the better one.

Regrettably, competition in peaceful spheres is hindered by the policy of blocs imposed on the peoples of the world by imperialism. American above all, and by the arms race which is the direct result of this policy. In his report to the Conference on the Acceleration of Scientific and Technical Progress, held in Moscow on June 11, 1985, Mikhail Gorbachev, General Secretary of the CPSU Central Committee, pointed out that the necessity of speeding up socio-economic development is determined not only by the country's internal demands but also by external factors. "The Soviet Union," he said, "will continue to make the maximum effort to stop the arms race, but in the face of imperialism's aggressive policies and threats we cannot allow anyone to be militarily superior to us. Such is the will of the Soviet people."

As the Western powers refused to agree to a simultaneous disbandment of the opposing military-political groupings, the socialist countries were compelled to prolong the Treaty of Friendship, Cooperation and Mutual Assistance (the Warsaw Treaty), signed in 1955. The protocol on the prolongation of the Treaty for the next 20 years with a subsequent prolongation for another 10 years was signed at a meeting of the leaders of Bulgaria, Czechoslovakia, the GDR, Hungary, Poland, Romania and the USSR in April 1985 and came into force when all of these countries delivered the ratification instruments to the Polish government.

This undesired but necessary decision by the European socialist states has not affected their general principled position on the questions of war and peace. In their joint statement, distributed in early June as an official UN General Assembly document, the socialist countries once again stressed that the most urgent task today is to take practical steps towards curbing the arms race. They expressed their support to comprehensive development of mutually advantageous cooperation between all countries, irrespective of their economic and social systems.

The three decades that have passed since the establishment of the Warsaw Treaty Organisation have demonstrated with utter clarity the fruitfulness of collective action by the socialist countries in the international arena. Thus, the purposeful joint effort of the Warsaw Treaty countries played an important role in the preparations for and holding of the Conference on Security and Cooperation in Europe, which in its Final Act, signed in Helsinki on August 1, 1975, established a code of principles by which the states, parties to the conference, were to be guided in their

mutual relations. The effectiveness of joint action by the Warsaw Treaty member countries in the area of foreign policy was also demonstrated by the successful conclusion of the Madrid meeting.

Indeed, the countries of the Warsaw Treaty have initiated and are initiating a great many peace proposals of both a comprehensive and partial nature. These proposals always pursue detente, the limitation of the arms race, and the improvement of all-European cooperation.

It was the Warsaw Treaty countries that proposed back in the mid-1950s that a system of collective security be established in Europe in place of military blocs. And it was this organisation that worked in the 1960s for the convocation of an all-European conference. In the 1970s, at the initiative of the Warsaw Treaty countries, important bilateral and multilateral agreements, including the Helsinki Final Act, were signed. They had the aim of extending detente and developing large-scale mutually beneficial cooperation between the states of the two different social systems. In the 1980s it was again the Warsaw Treaty that made a proposal to the NATO countries concerning the conclusion of a treaty on mutual non-use of military force and on maintaining peaceful relations. It also suggested that negotiations be held with NATO on freeing Europe from chemical weapons, as well as freezing and then reducing military spending.

Many other constructive ideas and proposals, aimed at promoting international and regional security, were put forward by the socialist countries—in the UN, at the Geneva Disarmament Conference, at the Vienna talks on the mutual reduction of armed forces and arms in Central Europe, at the Stockholm conference to promote mutual trust, security and disarmament in Europe, and at scores of other international forums.

The main thrust of the constructive efforts made in the area of foreign policy by the Warsaw Treaty countries is the resolute struggle for disarmament and an end to the arms race. "The Warsaw Treaty states," noted a communique issued after the Foreign Ministers' Committee met in Berlin on December 3-4, 1984, "hold that bringing the arms race to an end and moving towards disarmament, above all nuclear disarmament, is the fundamental question of our time".

The Warsaw Treaty's energetic and consistent efforts have created a situation wherein the problems of disarmament have become crucial in international life. The socialist states take the lead in making initiatives which, despite stubborn resistance on the part of militaristic and reactionary forces in the West, have resulted in the conclusion of a number of important agreements and treaties somewhat slowing down the arms race in certain spheres. These agreements have graphically demonstrated the feasibility of concerted and purposeful actions in the sphere of disarmament by states with different social systems.

The belligerent course pursued by the United States which is aimed at attaining military superiority over socialism, had resulted by the beginning of the 1980s in the break-down of negotiations in some spheres and their coming to a near standstill in others. Moreover, the Pentagon began to undermine operating agreements, using the most unseemly pretexts for this purpose.

For the nth time the US ruling circles, in pursuit of the phantom, military superiority, have unleashed an arms race in its scope unprecedented. It has become truly all-embracing in nature, for military research is being conducted in all the areas that have been opened up due to the rapid pace of technological progress.

Naturally, this has had the most negative political consequences for the development of international relations. For a long time it was thought that the arms race was more a consequence than a cause of world tension. Today the scale of the military build-up is such that it itself gene-



rates tension, spreading the arms race to ever new spheres and involving more and more states in it.

The struggle for an end to the arms build-up and for their reduction, for disarmament waged by the socialist countries is entering a new stage. It is unfolding in the context of an extremely acute and complex international situation; the level of tension is higher than ever and imperialism is attempting to undermine detente, to throw mankind back to the days of the cold war, hindering every step towards normalisation and stabilisation.

In this context the Warsaw Treaty countries have put forward a realistic programme of constructive action to curb the arms race and move towards disarmament. This programme includes such important proposals as reaching an agreement between militarily powerful states on ending the escalation of their armed forces and armaments, freezing nuclear arms quantitatively and qualitatively, the conclusion of a treaty on a general and complete end to nuclear weapons tests, the non-militarisation of outer space and the ban on chemical, neutron, radiological weapons, etc.

In presenting this programme for consideration, the Warsaw Treaty countries believe there is no more important task today than the preservation of peace and the cessation of the arms race. It is the duty of all governments, and all statesmen responsible for the policies their countries pursue to resolve this problem.

In the context of a stubborn political and diplomatic struggle, it has recently been possible to reactivate dialogue on a number of issues related to disarmament thanks to the purposeful, consistent and constructive line pursued by the countries of the socialist community, which have increasingly received the support of the anti-war movement. Soviet-American talks on nuclear and space weapons have opened in Geneva. For the first time in the history of talks on disarmament the agenda includes a whole series of important issues: a ban on the militarisation of outer space, the limitation and reduction of nuclear weapons, both strategic and medium-range. All of these problems are being examined not in isolation, but as a whole. The significance of the Geneva dialogue cannot be overestimated. If the developments are favourable and mutual realism and good will are displayed, it can offer mankind a historic opportunity to rid itself of nuclear weapons, not to mention the beneficial effect it would have on the world situation as a whole.

The Soviet Union approaches the Geneva talks with the highest possible sense of responsibility, which they rightly deserve. The Soviet Union's firm intention to conduct the talks constructively, in a spirit of good will with the aim of achieving an honest agreement has been expressed at the most authoritative level. "The Soviet Union's approach to these talks," said Mikhail Gorbachev, "is well known. I can only repeat once again: we are not seeking to achieve advantages over the United States, over the NATO countries, we are not seeking military superiority; we want to see the arms race end, not continue, and therefore we propose to freeze nuclear arsenals and stop further deployment of missiles. We want real and major reductions in the accumulated weaponry, not the creation of ever new weapon systems, in space or on earth".

Unfortunately, the initial phase of the talks is being accompanied by militarist psychosis in the US. Senior officials in the US administration say that the stupendous programme of military escalation will continue, otherwise, as President Reagan put it, the US would knock the legs from under the negotiating table. Washington has no intention to abandon its plans for militarising outer space, plans which have as their objective military superiority over the socialist countries. These are the most ominous plans, no matter what "defensive" sauce they are dished up with.

Their realisation would open the floodgates allowing the arms race to continue in all directions, undermine international security, and topple the most important agreements limiting the arms race.

American leaders like to repeat President Truman's words, spoken in 1946 "Peace will always have to be built on force. Justice, good will and good deeds are not enough." Following such recipes, the ruling circles in the US have apparently decided to discard good will and good deeds from their political arsenal, and rely solely on naked force. To this end they have ensnared the world in a thick net of military bases and strongholds, having stated that actually every region in the world is a "sphere of US vital interests". There are over two thousand US bases around the world, and all of them are spearheaded against the socialist countries, as well as those states whose regimes, for one reason or another, are not to the United States' liking.

Washington begins production of ever more sophisticated types of mass destruction weapons, and moves full speed ahead on ever new war programmes. The US and NATO stubbornly refuse to follow the Soviet example and pledge not to be the first to use nuclear weapons. This is undoubtedly a challenge not only to the Warsaw Treaty countries but to all nations, because Washington's actions lead to the rapid escalation of the threat that a global conflict will be unleashed.

The most cynical manifestation of this policy is presented by Washington's plans to militarise space with a view to taking aim at the whole world so as to dictate US will. While admitting the possibility of a "limited" nuclear war in Europe and actually making preparations for it, the US, nevertheless, hopes to protect itself from the inevitable retaliatory nuclear strike. With this aim in view, the US is trying to build a space-based system of anti-satellite and anti-missile defence. In addition, the Pentagon is continuing to beef up its strategic potential with MX missiles, Trident-2 atomic submarines, B-1 bombers, neutron and chemical weapons. All of this proves once again that US imperialism is ready to make the first nuclear strike against the USSR in order to realise its plans for world domination, that US imperialism is ready to sacrifice the peoples of Western Europe in a hope that the US will be able to hide under a shield of the anti-satellite and anti-missile defence systems. It is not fortuitous that the "star war" plans have aroused serious concern even among Washington's closest NATO allies.

Consequently, as the most reactionary circles in the US see it, the policy of creating hotbeds of tension from Europe to Central America and to the Far East and the flexing of "war muscles" are the best ways of promoting the "vital interests" of American imperialism. True, some Western politicians have begun to reflect over where they may be led to if they blindly follow the dangerous course set by their overseas "leader". The doubts felt by some of the bloc's members increased after President Reagan had announced the reckless "star wars" idea. The governments of Greece, Denmark, France and Norway refused straight away to participate in the American project, while the governments of Italy and a number of other countries expressed reservations concerning its expediency.

Still, a sentence was inserted into the communique approved by the NATO Foreign Ministers' session held in Estoril near Lisbon on June 6-7, 1985, about supporting US efforts on all the three issues discussed at the Geneva negotiations. As noted by the *Washington Post*, the participants in the session thereby enabled US Secretary of State George Shultz to declare that they support all aspects of the American position in Geneva, including the "star wars" programme.

The behaviour of the Western powers casts doubt on whether they can be regarded as serious partners in international negotiations. The statement made by Andrei Gromyko and George Shultz on January 8, 1985

holds it clearly that the prevention of an arms race in space and its cessation on earth must be the objective of the Geneva talks. The first round of the talks, proved fruitless because the Americans behave as though no agreement was reached on January 8 on the subject and purpose of the talks and avoid any discussion of the non-militarisation of space.

Apparently, it is no accident that the Vienna negotiations on the mutual reduction of armed forces and armaments and associated measures in Central Europe are also stalled. These talks are now in their 30th round, but the goal which it was hoped they would achieve when they were launched in 1973 is as distant as it was 12 years ago. Proposals put forward by the Soviet delegation on behalf of all the socialist countries lie on the negotiating table. These proposals, which, if implemented, will yield an initial tangible result, take many elements of the NATO countries' position into account. The US State Department officially welcomed these proposals. The former head of the US negotiating team in Vienna, J. Dean, admitted that it was up to the West to make the next move. But these words were not followed by deeds.

In short, as Mikhail Gorbachev noted, the situation remains complex, even dangerous, but we believe that real opportunities exist to curb the forces of imperialism. A world without wars and weapons can be built in our time. It demands energetic action and must be fought for today, now!

**A**sia has an important place in Washington's current "global" strategy. The US wants to pose a military threat to the socialist countries, and above all to the USSR, from the direction of Asia as well. An integral part of these plans is the objective of driving a wedge between the USSR and the countries of Asia, particularly India, an influential Asian power, whose voice is heeded to on every continent. A military strategic "opening up" of the Asian region would enable Washington first, to set up a new stronghold for advancing its imperial interests in the Persian Gulf zone, and second, to link the zone of its military-strategic interests in the Pacific with its strongholds in the Middle East.

The events of the post-war decades offer convincing evidence that it was mainly US interference that prevented the speedy, just and peaceful settlement of local conflicts which flared up in Asia. The peoples of that continent will never forget the crimes perpetrated by the US military in Indochina—in Vietnam, Kampuchea and Laos. In the Middle East it is Washington's support to the Israeli aggressor that has become one of the main obstacles in restoring peace there. The ominous role the US plays in the undeclared war against Afghanistan is well known.

Given this state of affairs many prominent politicians and statesmen in Asia demand an end to foreign intervention on the continent. Yet another concrete proposal, made by the Soviet Union in the course of the Soviet-Indian talks moves in that direction.

Its essence is simple. The Soviet Union proposes that every permanent member of the UN Security Council pledge strictly to adhere to the principles of non-interference, non-use or the threat of force in its relations with the countries of Asia, Africa and Latin America and not to involve them in military blocs. The Soviet Union, for its part, is ready to make such a pledge.

The new Soviet initiatives are directed towards a single goal. Complementing one another, they are designed to promote peace in Asia, the world's most populous region, as well as in other continents. Their substance meets the vital interests of the peoples of the world.

Over four years ago the USSR proposed that concrete talks be held with all interested states concerning confidence-building measures for the



Far East. Similar measures are already being implemented on the territory of the European states, including the western regions of the USSR, in accordance with the Helsinki agreements.

By working out and implementing confidence-building measures in the Far East, which would take the region's distinctive features into account, the political climate in the area could be substantially improved. The USSR demonstrated its readiness to begin talks on confidence-building measures on a bilateral basis, as well, between, for example, the USSR and Japan. It would be expedient to extend confidence-building measures to seas and oceans, especially those areas that are criss-crossed by the busiest sea routes. This particularly applies to the Indian and the Pacific oceans. The limitation and reduction of naval activity in these waters would be in Japan's vital interests.

As is well known, the Soviet Union has already taken an important, concrete step to enhance mutual confidence. It has declared in no uncertain terms that it will never use nuclear weapons against those states which refuse to manufacture or purchase these weapons and do not have them on their territory. The Soviet Union is prepared to begin an exchange of opinions on this subject with Japan. However, these positive factors are in the way of those who want to see the Asian-Pacific region become the second in importance in any military-political confrontation with the USSR, and Japan become the central link in the anti-Soviet "Eastern front". The US has announced that the purpose of its military policy in the region is to confront the USSR "from the Gulf to the Aleutian Islands". It intends to "NATO-ise" Japan, i. e., place the same obligations on it as are borne by the West European members of NATO. In this way Washington hopes, first, to create a triangle with the help of bilateral agreements with Tokyo and Seoul, second, to include the ANZUS partners—Australia and New Zealand—in the Pentagon's plans and, third, to pave the way for the creation of a "Pacific Community" which would embrace the ASEAN members, as well as the US, Japan, Canada, Australia, New Zealand and South Korea.

Washington goes out of its way to draw a number of Asian countries into the orbit of its new nuclear strategy. A special place in this strategy has been given to Japan which is linked with the realisation of American imperialism's aggressive course. Washington places constant pressure on Tokyo to step up its economic aid to US allies in Asia, and to South Korea in the first place. The US views South Korea as its nuclear springboard spearheaded against the socialist countries. These plans are at loggerheads with the interests of the Asian and Pacific countries, which aspire to greater independence and social renewal. The countries of the region do not want to be objects of profit making or the hosts of military bases and installations.

The USSR and other socialist countries take the lead in promoting security in Asia as a whole. This aim is pursued by the initiatives of the Democratic People's Republic of Korea concerning the peaceful reunification of Korea and the elimination of tension on the Korean peninsula, the initiatives of the Democratic Republic of Afghanistan concerning a political solution to the situation around Afghanistan, and the initiatives of Vietnam, Laos, Kampuchea concerning the establishment of a zone of peace, cooperation and stability in Southeast Asia.

"We are confident," Mikhail Gorbachev stressed at a meeting with a SRV party and government delegation on June 8, 1985, "that Asia can and must become a continent of peace and goodneighbourliness. It is only in conditions of genuine peace and stability that the countries of the region can successfully resolve the complicated problems of socio-economic development they are confronting. These aims are pursued by the concrete proposals of the Soviet Union, the countries of Indochina, and of other

socialist countries, including the proposal on confidence-building measures in the Far East and the conclusion of a convention on mutual non-aggression and non-use of force in relations among the countries of Asia and the Pacific Ocean. The initiatives of India and a number of other nonaligned countries are along the same lines.

"The strengthening of the foundations of peace in Asia and beyond it," Mikhail Gorbachev continued, "would have undoubtedly been promoted by the normalisation of relations between the Soviet Union and Vietnam, on the one hand, and the People's Republic of China on the other. Both the Soviet and the Vietnamese governments have already put forward constructive proposals on this score. A positive response to them would have helped remove many obstacles to establishing goodneighbourly and mutually advantageous relations in the region."

The consistently peaceful foreign policy pursued by the countries of the socialist community constitutes the main factor opposing the aggressive designs of imperialism in Asia and plays a decisive role in the people's struggle for national freedom and independence. The socialist countries, as is easy to see, proceed from the principle of the collective responsibility of states for international security, as for the future of peace in Asia. The leit-motif of virtually all of the proposals, aimed at improving the situation on the Asian continent and the adjacent seas and oceans, put forward by the Soviet Union and other socialist countries, as well as by a number of peaceable Asian states, is the thesis that the strengthening of security in Asia must become the common goal of the peoples and states of Asia.

A special role in strengthening security in Asia is played by India's peaceable foreign policy which is based on the principles of peaceful co-existence and nonalignment. The Soviet-Indian Treaty of Peace, Friendship and Cooperation remains a potent instrument of peace in Asia.

Other Asian states which come out against the threat of a nuclear war and for disarmament also play a substantial role in the struggle for a healthier international climate. Many useful and constructive ideas have been offered by the nonaligned movement.

The international climate would gain from the improvement in relations between the USSR and the People's Republic of China. As Mikhail Gorbachev pointed out at a meeting with the employees of the Dnepropetrovsk Iron-and-Steel Works, "...time has shown to both sides that estrangement and, moreover, unfriendliness and suspicion do no good for either of them, while goodneighbourly cooperation is completely possible and desirable. On our part we intend to work actively to end, once and for all, the negative period in Soviet-Chinese relations, which engendered a lot of artificial barriers."

It is up to the Asian peoples themselves to promote security in Asia. They should work jointly to make this idea a reality, first and foremost to protect the continent from foreign intervention. The Soviet Union, which favours a comprehensive approach to the problem of security in Asia as well as joint action by the Asian states towards this end, has proposed that every permanent member of the UN Security Council pledge strictly to observe in its relations with the countries of Asia, Africa and Latin America the principles of non-interference, non-use or the threat of force, and non-drawing them into military blocs.

The policy of the Soviet Union is consonant with the desire of peoples everywhere for peace and cooperation. The USSR works to eliminate hotbeds of conflict, and counters imperialist policies which lead to a further dangerous destabilisation of the situation.

The Soviet Union is prepared to cut, once and for all, the knots we did not make. For example, we favour a lower level of confrontation in the area of medium-range nuclear weapons. We have repeatedly stated that,

given the necessary agreement in Europe, we shall liquidate the medium-range missiles in the European part of the country by a number stipulated in the agreement. We have also repeatedly consented to freeze the number of missiles in the Asian part of the USSR, on the condition, of course, that the Americans will not take steps to change the strategic situation in the region. The Soviet Union would not be averse to discussing this idea with the Asian and Pacific states that possess similar weapons, with a view to the limitation and subsequent reduction of these weapons, on a mutual basis, of course.

The Soviet Union has recently put forward the idea of holding an all-Asian forum where opinions could be exchanged and constructive solutions could jointly be sought.

The new peace initiative by the USSR—a unilateral moratorium on all kinds of nuclear tests beginning in August this year, precisely on the day of the Hiroshima tragedy—is directed at halting the dangerous competition in nuclear armaments build-up. "The moratorium," Mikhail Gorbachev stressed in his reply to the appeal by the Japanese council of the organisations of victims of atomic bombings, "is valid until January 1, 1986. However, it will remain in force further on provided the US will refrain from staging nuclear tests". The Soviet Union, Mikhail Gorbachev went on to say, is well aware of many countries' aspirations to create nuclear-free zones in various regions of the globe. The USSR favours the creation of such zones in Northern Europe, the Balkans, in Southeast Asia and Africa. Also of importance are the attempts of the states in the South Pacific to make that region nuclear-free. At the same time, the General Secretary of the CPSU Central Committee pointed out, "we cannot ignore the increasing attempts to make Japan an American nuclear base and enhance its military role both within the confines of the alliance with the US and the world over in general. Such attempts are fraught with heightening tensions in the Far East and in the Asian-Pacific region."

Western mass media call the decision on the moratorium a document of historic significance. True, the moratorium on test explosions is not only a powerful measure capable of creating an obstacle to the further nuclear arms race, but also a prerequisite for eliminating the existing nuclear stockpiles. Meanwhile, the US administration's reaction to a series of peaceable steps taken by the USSR shows that Washington, favouring in word the normalisation of international situation, is in deed pursuing the policy of stepped up arms race on the ground and doing its best to transfer it to outer space.

Today the future of peace and progress, and the future of mankind is inseparably linked with real socialism, with its onward movement. It paves the way for social and national liberation, for a peaceful future for all nations. The ruling circles in the US, having donned the uniform of world policeman, have made military might the cornerstone of their policy, recklessly flaunting their readiness to plunge mankind into a nuclear holocaust. They can offer nothing to counter the Leninist doctrine of peace or the practical actions of the socialist countries for peace and international cooperation, aside from nuclear war propaganda, the threadbare myths of anti-communism and anti-Sovietism.

History entrusted the USSR and the other socialist countries with the noble mission of eliminating the threat of a nuclear war and saving life on this planet. And, sparing nothing in their efforts to fulfil this mission, they invariably enjoy the support of all peaceable states and peoples, of all of progressive mankind. That is why there is every reason to look to the future with confidence and optimism.

## USSR'S ROLE IN ENDING WW II, EFFECT ON ASIAN LIBERATION SEEN

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[Article by Professor I. I. Kovalenko, doctor of historical sciences: "The Soviet People's Great Victory and the National Liberation Movement"]

**A**fter the defeat of nazi Germany and fascist Italy, militaristic Japan was the only state in the Rome-Berlin-Tokyo axis which continued the war against the Allies and possessed considerable material and human resources.

According to various sources, by the time war was over in Europe, Japan had armed forces numbering 5-7 million officers and men.<sup>1</sup> Japan also had considerable mobilisation capabilities and could recruit an additional 1.5-2 million servicemen. Militaristic Japan's ability to conduct protracted defensive campaigns against the Anglo-American troops on the Pacific front was not in doubt. The Kwantung Army deployed in Manchuria was the biggest grouping of Japanese troops. It numbered one million well-trained officers and men.

US military command held that combat operations in the Pacific might last until 1947. In his memoirs US President Harry S. Truman admitted that Russia's entry into war was becoming increasingly imperative. It was tantamount to saving the lives of hundreds of thousands of Americans.<sup>2</sup> Similar statements were made by General MacArthur and Admiral Nimitz who directed Anglo-American operations in the Pacific.

In his speech of August 9, 1945, Prime Minister Suzuki of Japan admitted to the Supreme Military Council that the "entry of the Soviet Union into the war has shattered all hopes we had of continuing it."<sup>3</sup>

Given this testimony, the attempts by various falsifiers of history to belittle the immense role played by the Soviet Union and its Armed Forces in routing militaristic Japan and, at the same time, to overestimate the part played by the United States looked ridiculous. Some such people even say that the USSR made a merely "symbolic" contribution to the victory over Japan.

The Soviet Union entered the war against Japan on August 9, 1945, and on the very first day of hostilities it delivered a smashing blow from the ground, air and sea to the Kwantung Army. On August 10 the Japanese government asked the USSR, the US, Britain and China to cease their military operations, and declared its readiness to accept the terms of the Potsdam Declaration which formulated general political principles to be applied to Japan upon its defeat.

That important document stressed that the power and influence of those who deceived and led astray the people of Japan making them follow the road of global conquest should be eliminated for ever... A new world order of security and justice is inconceivable until irresponsible militarism is driven from the world... Japanese sovereignty will be limited to the

<sup>1</sup> See O. Ye. Vladimirov, *Unforgettable Pages in History*, Moscow, 1970, p. 11 (in Russian).

<sup>2</sup> Harry S. Truman, *Memoirs*, Vol. 1, Washington, 1955, p. 314.

<sup>3</sup> *History of War in the Pacific*, Vol. IV, Moscow, 1958, p. 209 (in Russian).

islands of Honshu, Hokkaido, Kyushu and Shikoku. After the Japanese Armed Forces are disarmed, they will be permitted to return to their homes and granted the opportunity to live a peaceful working life. All war criminals shall be punished severely. The Japanese government shall remove all obstacles to the rebirth of democratic tendencies among the Japanese people. Freedom of speech, religion and thought, as well as respect for basic human rights shall be established.<sup>1</sup>

On August 14 the Japanese government stated that it had accepted the terms for an unconditional surrender. However, it "forgot" to issue an order to discontinue hostilities. The Japanese troops went on to put up particularly stubborn resistance at the Manchurian front. That is why the Soviet Armed Forces in the Far East intensified their offensive operations. Finding themselves in desperate straits, the Japanese command issued the order to surrender on August 18.

In the course of two weeks of stubborn fighting the Japanese lost about 700,000 officers and men, including 83,797 who were killed and 594,000 who were taken prisoner. The troops of the two fronts—the Trans-Baikal and the First Far Eastern—alone captured 1,565 pieces of artillery, 2,139 mortars, 600 tanks, 861 aircraft, 11,988 heavy and light machine-guns and over 2,000 automobiles. All the ships of the Shungarun Flotilla became the trophies of the Second Far Eastern Front and the Amur Flotilla.

The General Headquarters of the Soviet Armed Forces noted that, in terms of its scope and the skill with which it was executed, as well as the results achieved, the Manchurian strategic operation to rout the Japanese troops was one of the most outstanding operations of the Great Patriotic War.

The Mongolian People's Republic, which more than once had been subjected to the aggressive actions of the Japanese military, entered the war against imperialist Japan together with the Soviet Union. The Small Khural and the Mongolian government declared a holy war against Japanese militarism. The combat friendship between the Soviet and Mongolian peoples, fraternal peoples, withstood yet another severe test. More than once the Soviet Union had helped Mongolia defend its freedom and independence. This time it obtained highly valuable military support from the Mongolian people. The Mongolian Armed Forces fought shoulder to shoulder with Soviet officers and men and made a worthy contribution to the rout of the Japanese troops in Manchuria and Inner Mongolia.

The Soviet armed forces crushed the Kwantung army in the course of two weeks of fierce struggle and thus wrote one more glorious chapter in the heroic chronicle of its victories. It was a triumph of the Soviet Army over a strong, well-armed and perfidious enemy which held hundreds of millions of people in slavery in the occupied countries located in the broad expanses of Asia and the Pacific.

By their rapid actions in the Far East the Soviet Union and its glorious Armed Forces made a decisive contribution to the victorious culmination of World War II.

The defeat of militaristic Japan signified the liquidation of the strongest detachment of world reaction, which for a long time had played the role of the policeman of the Asian peoples. In its vast struggle against the forces of fascism the Soviet people defended its socialist Motherland—the bulwark of peace and the security of nations—warded off a lethal blow to the world communist movement, and inspired the forces of national movement to fight for freedom and national independence.

The military-political consequences of the defeat of militaristic Japan, which had tormented hundreds of millions of oppressed peoples, were of world-wide historical significance. The surrender of Japanese imperialism

<sup>1</sup> See *USSR Foreign Ministry Collection of Documents*, Moscow, 1974, p. 24.



created a new political situation in Asia and the Far East, set in motion the peoples of Asia, awakened almost two billion people to active democratic life, and opened up new historical horizons before them.

World War II was not only a military engagement between the armed forces of different countries. It was an historic struggle between the two opposite social systems, a confrontation between two radically different ideologies.

The Soviet Union's victory in the Great Patriotic War demonstrated to the whole world the unbending force of the Soviet social and state system born of the October Revolution, demonstrated vividly the inevitability of the triumph of the Marxist-Leninist ideology, the invincible moral and political unity of Soviet society, and the unbreakable bonds of fraternal friendship which link the peoples of the USSR.

Having delivered the peoples of Europe and Asia from fascist tyranny, the Soviet people and its Armed Forces rendered them internationalist assistance and discharged their historic duty. All honest people throughout the world are aware that it was the Soviet Union and its Army that were the main force which kept German fascism and Japanese militarism from achieving world domination, bore the brunt of the war, played a decisive role in routing nazi Germany and militaristic Japan, and rescued world civilisation from fascist barbarism.

The great victory over the most reactionary and fascist forces in the world opened up new historical vistas for the progress of humanity, undermined the pillars of imperialist reaction, brought to life powerful forces which started a struggle for democracy, socialism, and social and national liberation, resulted in the downfall of reactionary regimes in a number of countries, and created the prerequisites necessary for the formation of the world socialist system.

While, in Europe, the rout of German fascism paved the way for the victorious national democratic revolutions which later developed into socialist revolutions, many Asian countries threw off the colonial and semi-colonial yoke, became independent and sovereign states, and some of them took the next step and embarked on the road of socialist development.

The triumph of the people's democratic revolutions in China, Korea and Vietnam was an event of tremendous world importance. A heavy blow had been delivered to imperialism. The capitalist system lost about 10 million square kilometres, the home of more than 25 per cent of world's population. This meant that imperialism had lost over one-third of the population in its colonial rear, one of its most important mainstays. Its ability to keep other enslaved peoples in the colonial yoke was undermined considerably. The victory of the people's democratic revolutions in Asia was a major triumph for the cause of peace and the security of nations because it limited substantially the opportunities imperialist powers had to stage various political adventures.

The emergence of the Democratic People's Republic of Korea was a major blow to imperialism in Asia. The working people of Korea waged a long and persistent struggle against the Japanese colonialists who plundered the national wealth of the country and mercilessly suppressed any manifestations of the striving for freedom and independence. For more than 40 years the Korean people languished in Japanese bondage. The rout of militaristic Japan liberated this long-suffering people from slavery and helped it gain its freedom and independence. Expressing his great appreciation for the immortal feat of arms performed by Soviet officers and men in the Far East, Kim Il Sung noted: "If the Soviet Army had not liberated Korea, the Democratic People's Republic of Korea would not exist, and our national democratic movement could not have advanced so triumphantly. That is why the victory of the Soviet Union

in World War II opened a new chapter in the history of the Korean people."<sup>5</sup>

Having routed Japanese militarism, the Soviet Union helped the Korean people acquire their statehood, and provided all the necessary conditions for effecting profound revolutionary transformations, opening the way to a new, free life.

Within a brief span of time, with Soviet assistance, radical socio-economic transformations which turned the one-time colony into an advanced and flourishing socialist country with well-developed economy and progressive socialist culture were carried out under the guidance of communists. Today the DPRK is an industrial-agrarian state which has reached the concluding stage in the process of building the material and technical base of socialism.

While strengthening its fraternal ties with the socialist countries, the Democratic People's Republic of Korea favours the establishment of friendly and cooperative relations with all states on the basis of the principles of peaceful coexistence. It vigorously supports the forces of national liberation on all continents and bolsters its ties with the international communist movement. Today socialist Korea has taken a firm place within the system of international relations. It acts as a consistent champion of peace and cooperation among nations.

The situation in South Korea is quite different. It is economically and politically dependent on US and Japanese monopolies which plunder the natural resources of the South and mercilessly exploit the South Korean population which cannot reconcile itself to this grim situation and is increasingly becoming involved in the struggle against the military-police regime and its foreign patrons. The people of South Korea has been joining the struggle for peace, democracy and social progress with increasing resolve. It vigorously supports the DPRK's proposal concerning the peaceful unification of the country into a single democratic state. There can be no doubt that sooner or later this historic problem will be solved in conformity with the aspirations of the entire Korean people.

The victory of the people's revolution in China sparked tremendous changes in the alignment of forces in the world. The formation of the People's Republic of China in October 1949 was a major event in history. The emergence of the PRC changed the entire situation in Asia and created favourable conditions for a further onslaught by the forces of national liberation on imperialism in Asia and elsewhere.

The Soviet Union and its courageous Armed Forces made an invaluable contribution to the triumphant Chinese Revolution. The rout of the Japanese Kwantung Army which occupied northeastern China enabled the Chinese people to bring the war against Japanese imperialism to a victorious end and significantly strengthened the entire camp of Chinese democracy. The immense quantity of armaments (including aircraft, tanks, artillery, and battleships) captured by the Soviet Army from the Japanese invaders, was transferred to the Chinese patriotic forces which fought against the Guomindang reactionaries.

The Chinese leadership conceded that the crushing blow delivered to Japanese militarism was of great importance to the victory of the Chinese Revolution. All that time, Mao Zedong wrote, "The Red Army has come to help the Chinese people drive away the aggressors. The history of China has never known such a thing. The impact of that event is inestimable."<sup>6</sup>

To protect the PRC from imperialist provocation and create conditions favourable to the building of a new society there, the Soviet Union concluded the Treaty of Friendship, Alliance and Mutual Assistance in

<sup>5</sup> Kim Il Sung, *Selected Works*, Vol. 3, Pyongyang, 1971, pp. 349-350 (in Korean).

<sup>6</sup> Quoted from *History of the Great Patriotic War of the Soviet Union, 1941-1945*, Vol. 5, Moscow, 1963, p. 596 (in Russian).

February 1950 for the term of 30 years with the PRC government. Apart from the military and political measures aimed at ensuring the security of the two countries, the Treaty envisaged the implementation of a broad programme of economic, scientific and technological cooperation. True, this Treaty was not prolonged but it not only played a positive part in ensuring the security of the young People's Republic of China, but also was an important factor in the stabilisation of the situation in the Far East and in Asia.

The Soviet Union helped China lay the foundations of modern industry and a solid base for industrialisation. The Soviet Union assisted the Chinese people in building over 250 big industrial enterprises, and in creating industries which produced aircraft, energy, iron, steel, automobiles, aluminium, instruments, mining equipment, and so on.

The Soviet Union granted the PRC government long-term loans on beneficial terms to the tune of about 2 billion roubles, sent more than 10,000 Soviet specialists to China and invited almost 10,000 engineers and technicians and about 1,000 scientists to the USSR for further education. Over 11,000 Chinese students and graduate students graduated from Soviet institutions of higher learning. Soviet assistance created the prerequisites necessary to build socialism in China.

From the time the People's Republic of China was created the Soviet Union favoured its participation in the postwar settlement in the Far East and its participation in international affairs in general. The Soviet Union and the PRC actively cooperated in preparing the peace treaty with Japan and insisted that any settlement of the Japanese issue must exclude the possibility of a revival of Japanese militarism and guarantee that that country would take the road of peace and good-neighbourliness. In July 1954 the PRC together with India proclaimed the well-known five principles of peaceful coexistence and then took part in the Bandung Conference.

The joint action taken by the USSR and the PRC against the armed intervention of the US in Korea and also to restore the latter's national unity constituted a major contribution to the normalisation of the situation in the Far East. The support and assistance rendered by the Soviet Union and China to the Korean people in its heroic struggle for freedom and independence forced the US aggressors to discontinue military operations and start the quest for a peaceful solution of the Korean problem.

The whole world knows of the role the Soviet Union and the PRC played in putting an end to the French aggression against the peoples of Indochina. Their resolute assistance and support to the patriotic forces of Vietnam contributed to the formation of the first socialist state in Southeast Asia, the Democratic Republic of Vietnam.

All of these actions created favourable conditions in the area of foreign affairs for building socialism in China and for the latter's emergence on the international arena.

The further strengthening of the economic and political might of the USSR and the PRC, as well as that of other socialist countries and their cooperation in resolving pressing international questions opened up new vistas for the acceleration of the world revolutionary process and the consolidation of the forces of peace, democracy and socialism.

The progress of Soviet-Chinese relations, however, was disrupted by the Mao Zedong group, and world imperialism took advantage of this development to strengthen its position in Asia and the rest of the world. The new Chinese leadership has gradually begun to rectify that policy. As a result, Sino-Soviet relations have somewhat improved. Recently, on the initiative of the USSR, a number of measures have been taken towards improving cooperation in the spheres of the economy, trade, science and technology. Some steps have also been taken by both sides



towards reestablishing ties on the public and governmental levels. The visit to China of Ivan Arkhipov, First Deputy Chairman of the USSR Council of Ministers, which culminated in specific, mutually beneficial agreements on economic, scientific and technological cooperation represented a major act in the bilateral relations. The two sides also expressed their readiness considerably to expand their foreign trade turnover and cooperation in other spheres of mutual interest.

The meeting between Deputy Chairman of the PRC State Council Lipeng with the General Secretary of the CPSU Central Committee Mikhail Gorbachev was of particular importance; the two sides expressed their support for further expansion of bilateral ties in the interests of both countries and the cause of peace throughout the world.

The principled policy pursued by the CPSU and Soviet state vis-à-vis the PRC was expressed in the speech made by Mikhail Gorbachev, at the March (1985) Plenary Meeting of the CPSU Central Committee. "We would like," he stressed, "to achieve a tangible improvement in our relations with the People's Republic of China and we deem it quite possible, provided there is reciprocity."<sup>7</sup>

The defeat of Japanese imperialism as the principal hotbed of war and aggression in the Far East had a tremendous impact on the development of the national liberation movement of the peoples of Southeast and South-Asia and the Pacific. It also opened up broad prospects for the liberation from European colonial slavery of the peoples of India, Indonesia, Burma, Malaysia, Indochina, the Philippines, Sri Lanka and others.

Ho Chi Minh, the leader of the Vietnamese people, noted in 1945 that the rout of fascism by the Soviet Army under the guidance of the Communist Party created "exceptionally beneficial conditions for the development of the world revolution."<sup>8</sup>

The victory of the August 1945 Revolution in Vietnam and the creation of the Democratic Republic of Vietnam were of great significance to the Asian region. The fierce struggle between the forces of national liberation and imperialist reaction in Vietnam and subsequently in the whole of Indochina showed the whole world that imperialism was powerless to suppress this outpost of socialism in Southeast Asia and keep the peoples of that area from moving towards freedom and social progress.

The attempts by French colonialists to reverse the course of history immediately after the proclamation of the DRV as an independent and sovereign state ended in disgraceful failure. The Soviet Union rendered a great deal of help in repulsing the foreign aggression. *Nhan Dan* stressed that the "recognition of the DRV by the Soviet Union and other socialist countries greatly augmented the international prestige of our country and inspired the army and the people of Vietnam to intensify the war of resistance for national salvation, and towards winning ever more valiant victories."<sup>9</sup>

The agreement reached at the 1954 Geneva Conference after the defeat of the French Expeditionary Corps at Dienbienphu was a great victory for the peoples of Indochina. It stipulated the discontinuation by France of military operations against the patriots of Vietnam, Laos and Kampuchea, recognition of the national independence of these countries and the withdrawal of all foreign troops from their territories. However, the people of Vietnam had to traverse a hard road of bitter struggle against US imperialism before it attained its national goal—the formation of a single Vietnamese state.

Having grossly violated its promise strictly to abide by the 1954 Ge-

<sup>7</sup> *Pravda*, March 12, 1985.

<sup>8</sup> Ho Chi Minh, *Selected Articles and Speeches*, Moscow, 1959, pp. 4-5 (in Russian).

<sup>9</sup> *Nhan Dan*, Jan. 30, 1970.

neva Agreement and refrain from the threat or use of force against the Democratic Republic of Vietnam, the US actively joined the internal struggle on the side of the South Vietnamese reactionary regime. Increasing its military might in South Vietnam, the US brought the numerical strength of its expeditionary corps to 550,000 in 1968 and sent a colossal amount of the latest military hardware there.

In the struggle against the heroic Vietnamese people the US administration made use of the most barbarous instruments of destruction, including chemical weapons. The US developed and employed strong herbicides and defoliants on large areas of Vietnam in order to destroy all types of greenery. With the help of "agent orange" the US troops destroyed millions of hectares of woods, heveas, coco-nut palms and rice paddies. They poured 57,000 tons of dioxine, a highly hazardous substance, on Vietnamese soil, and this will for a long time have an affect not only on the health of the people, but also on the flora and fauna and on the environment as a whole in the Socialist Republic of Vietnam.

According to the US press, American aircraft dropped 7.85 million tons of bombs on Vietnam, which works out to be 4,000 kg of bombs per inhabitant of North Vietnam.

The lives and destinies of hundreds of thousands of US servicemen were thrown in the flames of the reckless war against a small people; 57,000 of them were killed and 300,000 were wounded. About \$350 billion were squandered on the Vietnamese adventure which shook the whole of America, causing dissention and indignation towards those who planned and conducted the dirty war.

American imperialism set itself the goal of creating serious obstacles to the further growth of the national liberation movement in Asia and "teaching a lesson" to the other fighting peoples, intimidating them with US "might" and the resolve of the US administration to protect its "allies" when necessary at any price, up to and including direct armed intervention. However, all efforts by the US to bring the Vietnamese patriots to their knees ended in disgraceful failure. The US was forced to admit its impotence and start looking for a political solution to the Vietnamese problem.

The Vietnamese people won a historic victory for which it fought selflessly during the life time of an entire generation. The victory in Vietnam created the necessary prerequisites for a peaceful settlement in Laos, and encouraged the Kampuchean patriots broadly to develop the struggle against the reactionary Lon Nol regime, and later against the Pol Pot dictatorship which flooded the country with blood.

The triumph of the peoples of Vietnam, Laos and Kampuchea marked a new stage in the history of the liberation struggle, a stage during which the forces of national liberation would continue to attack imperialism, and colonialism old and new in Asia, Africa and Latin America.

The victories gained by Vietnam, and other Indochinese peoples in the years of the armed struggle and during the subsequent period when a new society was being built are indissolubly linked with the Soviet Union which has always watched over and continues to watch over the just cause of the Indochinese peoples. It continues to give them comprehensive support.

In speaking of the assistance the USSR gave in the routing of foreign intervention and in the building of a new and united Vietnam, Le Duan emphasised: "All this is a splendid manifestation of the Vietnamese-Soviet friendship, of our special relationship which is based on the firm foundation of Marxism-Leninism and proletarian internationalism and has been tested in the crucible of the revolutionary struggle waged by the two countries during the past 50 years.

"In keeping with Ho Chi Minh's behest, the Workers' Party of Vietnam [now the Communist Party of Vietnam.—*Auth.*] and our people will spare nothing to ensure that this great friendship will flourish and become stronger with every coming day, that it will be eternal like our mountains and rivers."<sup>14</sup> Today heroic Vietnam is building a new, socialist society, bending every effort to ensure the growth of the material well-being and cultural level of the people while enhancing the defensive capability of the Republic. It pursues an active foreign policy aimed at guaranteeing peace and security in Southeast Asia.

In the area of foreign policy the leaders of the SRV are particularly concerned with strengthening the country's friendship and cooperation with Laos and Kampuchea, which stems from the history of these countries' cooperation against the common enemy. The unity of the domestic and foreign policies of these countries, the common tasks they must accomplish to create the foundation of socialism, their common goals in the struggle against old and new colonialism, imperialism and hegemonism, create a historically objective basis for their cohesion and mutually beneficial cooperation.

Relying on support and assistance of the Soviet Union and other socialist countries, Vietnam together with its close neighbours—Laos and Kampuchea—has worked out a positive and realistic programme for settling outstanding issues with the ASEAN countries. This programme is aimed at putting an end to confrontation in the region and converting Southeast Asia into a zone of peace, stability and goodneighbourliness.

The governments of the Socialist Republic of Vietnam, the Lao People's Democratic Republic and the People's Republic of Kampuchea call on the other states of Southeast Asia to halt confrontation and establish normal relations on the basis of mutual respect for national independence, sovereignty, territorial integrity and non-interference in each other's internal affairs. This policy is meeting with growing understanding and support in the UN and the entire world community.

The countries of Indochina are also full of resolve to normalise relations with their northern neighbour—the People's Republic of China—in the spirit of non-interference in internal affairs, mutually beneficial cooperation and goodneighbourliness.

The collapse of the imperialist colonial system in Asia, which began as a result of the defeat of Japanese militarism, also had an effect on the struggle of the British colonies for freedom and independence. The Indian people were inspired by the heroic and stubborn resistance to the British colonialists who plundered the country and consumed the spirit of the people. The rout of the fascist aggressors in the West and in the East accelerated the liberation of the great Indian people from colonial slavery.

Having freed itself from foreign domination, India immediately joined the vigorous struggle for peace and international security, defending the freedom and independence of the Asian peoples. It was India that elaborated the five principles of peaceful coexistence known as Pancha Shila, which later became the generally recognised basis for international relations.

India's great international prestige is being enhanced by its successes in the area of massive socio-economic transformations. Within a short span of time India changed the colonial structure of its economy. The key industries, finance, wholesale wheat trading and a number of other branches of national economy were placed under governmental control. The country is now on the rise. The country is becoming an industrial

rial-agrarian state which produces aircraft, ships, locomotives, electric turbines and other types of modern industrial equipment.

India became the sixth power in space when, in July 1980, it used its own missile to launch the Rohin RS-1 artificial satellite. The research India does in nuclear energy, geophysics, oceanography and genetics is on par with the world standards.

Public sector enterprises constitute the basis of its modern industry. Now there are over 300 such enterprises, and they account for 40 per cent of the country's gross industrial output. The Soviet Union has a right to be proud of the great contribution it has made to the establishment of India's public sector which, contrary to the predictions of bourgeois economists, has stood the test of time and proved its efficiency. With the technical assistance of the Soviet Union, large iron and steel plants were built in Bhilai and Bokaro. They have a capacity of 10 and 12 million tons of steel annually. The same is true of the heavy engineering plants in Ranchi, Hardwar and Durgapur, the heavy electrical equipment plant in Hardwar, several large power stations, pharmaceutical enterprises, the oil refineries in Baraun, Koyali, Mathura and many other factories which make up the basis of India's public sector. All in all, over 80 projects of great economic significance to India have been built with Soviet assistance.

During the almost 40 years of independence India has scored major successes in all fields of national construction which it did not and could not have scored during the long years of British colonial domination. The liberation of the country from foreign oppression released the energy of the people and opened up opportunities for building a new, free and independent India. Let us cite some figures to demonstrate the results achieved by the Republic in this historically brief period. Before winning independence India produced 1 million tons of steel a year. Today this figure stands at about 10 million tons. Prior to 1947 in India there was no engineering industry as such was practically non-existent. Today India puts out high precision tools and equipment at 20 factories. These products are in high demand not only in the developing countries, but also in the biggest industrialised countries of the world.

Before independence India was completely dependent on imported oil, while now it extracts over 20 million tons annually and plans to increase production to 65-70 million tons within the next 10 years. India's power stations have a total capacity of more than 30 million kWt while before independence that figure did not exceed 2 million. By building up its energy capacity India was able to accomplish the task of electrifying the countryside. Plans call for up to 60 per cent of the rural population centres to have been supplied with electricity by the end of 1985.

India has solved the acute problem of grain production. Today India produces so much food that it is able to feed its rapidly growing population (about 700 million people today).

India's achievements in education are indisputable. Today almost 100 per cent of the country's children go to school. The number of students enrolled in institutions of higher learning has increased ten-fold since Independence was declared. This made it possible to create a considerable contingent of scientific and technical intellectuals capable of solving the most intricate problems of India's development.

India's peace policy enhances its great prestige in the international arena. It is striving to create a situation whereby all the Asian countries will be able to live in peace and goodneighbourliness. Asian peoples welcome India's peaceable policy, which is aimed at attaining the goals for which they themselves are fighting, i.e., the elimination of all forms of colonialism, the discontinuation of aggressive imperialist wars and the



flicts, the strengthening of the national independence of the newly-liberated states and the improvement of the international situation.

More than 20 years ago Jawaharlal Nehru emphasised that the issues of war and peace affect all countries, big or small and therefore each country should shoulder its share of the responsibility and contribute to the attainment of peace.<sup>11</sup> These words are meaningful today, as never before. The stand taken by New Delhi counters attempts by the Western powers to divert the attention of developing countries from the most pressing problems of our day and age, particularly the problems of war and peace. The imperialist quarters have constantly given young nations to understand that they should not be disturbed about detente, disarmament, or the militarisation of outer space, as this allegedly primarily concerns the developed states of the two opposing systems.

Despite all attempts by imperialist circles to divert India from the path it has chosen, the country remains loyal to the ideals of peace, holding that the very existence of the developing states and India itself depends on the preservation of peace. India resolutely supports the erection of a reliable barrier to nuclear war, the arms race, further deployment of US missiles in Europe and elsewhere, to the militarisation of outer space and the use of space for military purposes. Addressing the United Nations Indira Gandhi stated that peace is absolutely indispensable because the military technology of today threatens to destroy the whole of mankind. If we do not have peace today, she added, there will be no life tomorrow.<sup>12</sup> The Indian leadership and public at large are becoming increasingly aware that the US policy aimed at whipping up international tension is not only directed towards achieving military superiority over the Soviet Union and the socialist community as a whole, but has as its aim to block the advance of the developing countries along the road of independence and progress and in the final analysis, to return them to their former status, i. e., to put them in the yoke of capitalist slavery again.

India vigorously opposes US schemes to militarise the Indian Ocean because it is fully aware that the implementation of those dangerous plans has a direct bearing on India's national security, as well as on that of other developing nations. The iron fist of the USA, raised over the Indian Ocean, is incarnated in 30 US military bases of which Diego Garcia with its stockpiles of nuclear and chemical weapons is the biggest. According to *Patriot*, if nuclear missiles were to be launched from the US base on Diego Garcia they would reach New Delhi within several seconds.<sup>13</sup>

India enjoys deserved prestige as the generally recognised leader of the nonaligned movement. India's election to the chairmanship of the nonaligned movement at the latter's 7th Conference underscores the great constructive role which it has played in the struggle for peace and the consolidation of the independence and progress of the developing countries. Indira Gandhi and later Rajiv Gandhi reiterated the anti-imperialist and anti-colonialist goals of the nonaligned movement and its fidelity to the ideas of peace and international security.

As the leader of this movement India resolutely opposes the nuclear arms race, actively counters imperialist diktat, raises its voice in defence of the victims of imperialist aggression, and in support of national liberation movements. It takes effective measures to expand international solidarity with the struggle waged by the Palestinian people, defends the Namibian people's legitimate right to self-determination, condemns the sorties made by the South African racists into independent African

<sup>11</sup> J. Nehru, *India's Foreign Policy*, 1947.

<sup>12</sup> See *Patriot*, September 25, 1981.

<sup>13</sup> See *Ibidem*.

states, firmly and consistently censures US aggression against Nicaragua and other countries in Central America and the Caribbean.

Of great importance is the fact that the government programme of Rajiv Gandhi, the new Prime Minister, continues the policies developed by Javaharlal Nehru and Indira Gandhi. Thus, the hopes internal and external reactionaries had that the young Prime Minister would abandon the Nehru-Gandhi line had no basis in reality. In a recent interview to the US *Time* magazine R. Gandhi said: "I see a strong relationship between India and the Soviet Union". He added that the two countries had been friends for a long time now. India and the Soviet Union hold identical views on many issues.<sup>14</sup> The stand taken by the new leader of India is fully supported and shared by the Soviet Union.

The peoples of Pakistan have traversed a complicated and difficult road since they freed themselves from British domination. Having been artificially separated from India on religious grounds, ever since it was established as an independent state Pakistan has faced numerous difficulties of both an internal and international nature. The economic backwardness of the social structure, internal conflicts which stem from the unequal status of national minorities, the religious fanaticism of the ruling quarters, and other factors intensified centrifugal forces in the country and brought about the secession of East Pakistan from the Islamic Republic of Pakistan and the creation of an independent state of Bangladesh.

After the bankruptcy of the military junta which sought by force of arms to suppress the Bangladesh liberation movement, realistically-minded leaders took over and began revising the basic concepts which underlay the foreign and domestic policies of the former military regime.

Pakistan's new leaders decided to withdraw from SEATO and close down the US military base near Peshawar. They refused to support US aggression in Indochina and began to assist the Arab countries in their struggle against Israeli aggression.

The Bhutto government established diplomatic relations with Vietnam, the Democratic People's Republic of Korea and the GDR. Overcoming the legacy of the past it took an important step—it officially recognised the People's Republic of Bangladesh. In the sphere of domestic policy the new Pakistani leaders carried out a number of important socio-economic reforms which promoted the progressive development of the country. A new constitution came into force, which granted basic civil rights to the population and provided for a parliamentary form of government and a federal system.

Overcoming the many-century backwardness, Pakistan created the foundations for domestic industry, implemented some social reforms, and limited the activities of foreign monopolies in the country.

Soviet-Pakistani relations began to develop favourably. The Soviet Union granted assistance to Pakistan in the construction of a number of large projects, including an iron-and-steel works. This Soviet policy towards Pakistan positively influenced the situation in South Asia, which was in the interests of all the peoples of that region and the cause of peace on the Asian continent.

However, these developments were not to the liking of the ruling quarters in Washington which could not reconcile themselves with the fact that Pakistan had begun pursuing an independent policy. With the active support of the CIA, the Pakistani military overthrew the civilian government and established a military dictatorship headed by General Zia ul-Haq. The new regime cancelled everything progressive the previous government has done, including the constitution, deprived the people of

<sup>14</sup> Quoted from *New Times*, 1985, No 5, p. 7 (in Russian)

all democratic rights and civil freedoms, banned political parties, and, having convicted him on trumped up charges, executed Zulfikar Ali Bhutto.

Once internal opposition was suppressed, the military-police regime began remaking the country's foreign policy. It chose the United States of America as its patron and active partner. The latter, in turn, displayed greater interest in the new regime. Washington had long regarded Pakistan as a country which could be used as an instrument for pursuing US policy in South and Southeast Asia, including the Persian Gulf. At the end of the 1970s, after the developments in Afghanistan and Iran, the US-Pakistani rapprochement accelerated. According to the designs of the Pentagon's generals, the territory of Pakistan would become a junction in the chain of US strongholds and bases along the entire perimeter of the Asian region, from the Middle East to the Pacific.

Pakistan has been assigned a special role in the undeclared war against the Afghan people. The main bandit detachments are sent from there into the Democratic Republic of Afghanistan. The US administration also uses Pakistan as the main bridgehead for carrying out subversive activities against India, for aggravating the situation throughout Asia, and turning it into a hotbed of permanent tension.

These developments in and around Pakistan show that the deliverance of its people from the foreign yoke, a result of the defeat of the fascist bloc, proved not to be lasting enough. There were no active politically progressive forces within Pakistan which could eliminate the vestiges of colonialism for good and place the country on the road of independent development. However, the grapes of wrath are ripening in that country which is under the yoke of US imperialism. The popular forces are consolidating and, sooner or later, they will sweep away everything which prevents the people of Pakistan from living in conditions of peace and social justice.

The Republic of Bangladesh has also found itself in a difficult situation. The young republic, which came into being in 1972 after a stubborn struggle against the Pakistani military junta, declared its adherence to the cause of peace and social progress. The words of Mujibur Rahman, its founder and first President, were listened to with respect at all international forums, and many peaceable people heeded him.

Having won freedom and independence, the people of Bangladesh got down to business of building a nation state with unprecedented enthusiasm. They firmly believed in the future of their country and in that it would follow the path of peace, democracy and social progress. Bangladesh resolutely embarked on the road of strengthening peace and developing friendly relations with all countries. It refused to join aggressive military blocs and eliminated anti-communism from its foreign and domestic policies.

The Soviet people hailed the liberation of the people of Bangladesh and the establishment of a sovereign state. Since its inception the republic has enjoyed the moral and political support of the Soviet Union and the other members of the socialist community in the struggle to establish and maintain its political and economic independence. The Soviet Union rendered the Republic of Bangladesh considerable assistance in the building of a number of big economic projects, and also in the restoration of the Chittagong port, the biggest in the country, which was heavily destroyed during Pakistani military operations.

The assassination of Mujibur Rahman and his comrades-in-arms in August 1975 sharply exacerbated the domestic political struggle between the advocates of the democratic line and the forces which are seeking to divert Bangladesh from the peaceful democratic path of development and change its foreign policy orientation. In recent years American imperial-

ism has been displaying special interest in that country. Between October 1983 and April 1984 alone the country was visited by more than 50 high-ranking US emissaries. The Bangladesh press has reported more than once that the US hopes to gain access to the port of Chittagong and to other strategically important points in respect of which Washington harbours the plans to set up a base for the ships of the US 7th Fleet. In a bid to establish its military presence in Bangladesh, the US has made extensive use of political pressure and promises of "aid", thereby exploiting the young state's economic difficulties.

It may be supposed, however, that the democratic forces of Bangladesh are capable of repulsing the domestic and foreign reactionaries and restoring the republic's great prestige it had in the international arena, the prestige which it won with its loyalty to the cause of the liberation of peoples from the colonial yoke, to the cause of peace and social progress.

The national liberation revolutions that have occurred in Indonesia, Burma, the Philippines, Malaysia and Singapore were also linked with the rout of Japanese militarism.

The struggle the peoples of Indonesia waged to gain their national independence was difficult and complicated. The end of World War II saw a powerful surge in the country's national liberation movement. In these conditions the independent Republic of Indonesia was proclaimed on August 17, 1945. The building of a nation state began. The national government and parliament were formed, left-wing political parties and trade unions were allowed to function freely, and the Communist Party ceased to be an underground organisation.

The Indonesian people did the peoples of Asia a great service in that they brought the latter together in order to intensify the struggle against imperialism and strengthen the national independence of the newly-free countries. Indonesia was one of the sponsors of the conference of Asian and African countries held in Bandung in April 1955. The decisions taken at the Bandung Conference were of historic significance for the unification of the Afro-Asian countries in the struggle against imperialism and for the consolidation of their political and economic independence, for the cause of peace and the security of Asian peoples.

Subsequent developments in Indonesia temporarily interrupted the progress of the national democratic revolution. Internal and external reactionaries, who had the backing of the imperialist powers, overthrew the Sukarno revolutionary-democratic government and imposed a dictatorship regime on the Indonesian people. The blow the reactionaries delivered in 1965 to the Communist Party and the left-wing nationalists impeded the advance of Indonesian society but failed to stop it. The domestic and foreign policies pursued by the current ruling quarters run counter to that which is objectively necessary for the social, economic and political development of the country. The twenty years of rule by the new regime have demonstrated that it is impossible to solve the basic socio-economic tasks Indonesia faces with the methods employed by a military dictatorship.

The contradictions which demand to be resolved are steadily mounting in Indonesia. Even the top echelon of society is the scene of a struggle over how the country should develop in the future.

Notwithstanding the pressure brought to bear by the US, Japan and other imperialist powers, Indonesia has displayed its readiness to expand its ties with the Soviet Union. The proximity of the stands taken by the USSR and Indonesia on the most significant international issues, including the problems of war and peace, should be noted. It is also significant that Indonesia's stand in relation to the settlement of the Indochinese problem differs from that of the other ASEAN countries.



Jakarta believes that it is imperative to start a dialogue with the countries of Indochina and solve all outstanding problems at the negotiation table. The ruling quarters in Indonesia proceed from the fact that the main threat to the independence of the ASEAN countries emanates not from Vietnam but from its northern neighbour which has interfered in the internal affairs of those countries more than once. Also of great importance is the fact that Indonesian leaders have consistently opposed Washington's schemes to turn ASEAN into a military bloc.

There can be no doubt that the democratic forces gaining momentum amidst the Indonesian people will inevitably emerge in the arena of political struggle, secure the final liberation of the country from all the forms of imperialist and feudal oppression, deliver Indonesia from the sway of foreign capital and lead it along the road of peace, democracy and social progress.

Impressive changes have taken place in the Philippines since its liberation from the Japanese and the attainment of formal independence in 1948. However, it took the Philippine people another 30 years of persistent struggle to put an end to their "special relationships" with the United States.

Of late a number of important socio-economic reforms which have helped strengthen the country's independence were carried out. Of special significance is the agrarian reform under which the feudal system was abolished, and a substantial part of the land was given to the landless and land-hungry peasants.

The legalisation of the Communist Party of the Philippines, which is oriented towards the principles of Marxism-Leninism, was an important event. It should be stressed that it was the internationalist, rather than the dogmatic, wing of the Communist Party of the Philippines that succeeded in emerging in the legal political arena.

The Communist Party of the Philippines, retaining its class stands, believes that it can pursue a policy of "criticising and supporting" President Ferdinand Marcos and his government. The Party supports the progressive measures taken by the government in the areas of domestic and foreign policy and criticises it when it joins hands with internal reaction and US imperialism. Having decided to put an end to the policy of isolation, the Marcos government established diplomatic relations with the Soviet Union and other socialist countries, and is now developing commercial, economic and cultural ties with them.

At the same time, one cannot be blind to the difficulties which lie ahead for the young Philippine state as it makes its way towards full political and economic independence. The democratic forces of the country will have to wage a long and stubborn struggle against the sway the Americans have over the country. US capital fully or partially controls over 1,400 enterprises, and 16,000 American servicemen are still stationed at air and naval bases in the Philippines. The Philippine people are fully aware of the new threat emanating from the Japanese monopolies which have penetrated deeply the economy of the country and are ruthlessly plundering its natural wealth.

The progressive forces in Philippine society see their task in consolidating the masses and mobilising their energies for the struggle to strengthen national independence, implement massive socio-economic reforms, and pursue an independent foreign policy in the interests of peace and security in Asia.

Afghanistan, where the national democratic forces overthrew the reactionary feudal and military-bureaucratic upper crust and took power in April 1979, was also touched by the healthy processes occurring in Asia. Afghanistan is one of the most backward countries in the world. Of the 123 developing countries in the world it ranks 108th in terms of the per

capita national income and 112th in terms of education and medical care. The country has started a difficult ascent to the heights of social and economic progress. International reactionaries started a merciless war against the new Afghanistan during the very first days of its existence. This war pursues far-reaching aims. As Babrak Karmal pointed out, the enemies of the Afghan revolution had plans to divide this ancient country. Pakistan would have been given the eastern and the southern parts of Afghanistan which are predominantly populated by the Pushtu, China was to receive its northern territories, and a puppet government was to be set up in Kabul, which would be subordinate to the CIA.<sup>15</sup> However, the April Revolution frustrated this conspiracy. For more than six years now the Afghan people has been valiantly rebuffing the attacks of domestic and foreign enemies and paving the way towards its major goal—the building of a single, independent, democratic and prosperous Afghanistan.

The People's Democratic Party of Afghanistan which led the April Revolution began implementing radical socio-economic reforms aimed at eliminating the country's age-old backwardness and placing it on the road of peace and social progress. As a result of a successful agrarian reform, more than 350,000 peasant families got land. A special government decree liquidated the system of usury, and thus freed the people from the necessity of forking over 30 billion aghani to usurers and profiteers. Women were granted equal rights with men. A campaign to wipe out illiteracy among the adult population is under way, and universal primary education for children has been introduced. Energetic measures are being taken to expand the revolution's social base, consolidate the people's power and bring together different classes and strata of the population within the framework of the National Fatherland Front.

Consolidating its own ranks, the People's Democratic Party has created mass organisations for working people, including the Association of Afghan Trade Unions, the Women's Democratic Organisation, the Democratic Youth Organisation and others, which unite people from the most diverse segments of the population. Relying on these organisations, the People's Democratic Party of Afghanistan and the government of the Democratic Republic of Afghanistan have been successfully guiding the building of national economy and raising the population's standard of living.

All these measures together with the others taken by the popular government are supported by the broadest masses of the working people who take an active part in the building of a new society where there will be neither exploiters nor exploited and where each citizen will have equal rights and equal duties.

The achievements made in the course of building a new Afghanistan would be even more impressive, if the government of the country did not have to divert material and human resources to the struggle against the counterrevolutionary forces backed by the US, Pakistan, Iran, Saudi Arabia, and other countries which are being ruled by reactionary regimes. In Pakistan alone there are more than 100 bases, camps and training centres where thousands of bandits and terrorists are trained by foreign instructors to execute subversive acts against the popular government. In addition, subversive detachments are formed there, which are later sent into Afghanistan.

The undeclared war launched by internal and external reactionaries has inflicted tremendous damage on the country. As a result of the subversive activities of the terrorist gangs 50 per cent of the nation's schools, 50 per cent of hospitals, 14 per cent of the transportation, 75 per cent of

<sup>15</sup> *World Marxist Review*, 1981, No. 6.

lines of communication, several power stations, etc., have been destroyed within the republic. The damage is estimated at more than 24 billion afghani, which is equal to half of capital investments made in the country's economy during the 20 years prior to the revolution.

Although the forces of reaction are raging, they are unable to stop the onward march of history, to break the spirit or the will of the Afghan people who are upholding their freedom, national independence and their right to social progress and to a life of peace and freedom. The Soviet Union and other socialist countries render generous assistance to the Afghan patriots. All the progressive and peaceable forces of this planet are on the side of the fighting people of Afghanistan. The Afghan people are confident that their righteous cause will triumph. Babrak Karmal, the leader of the Afghan revolution, wrote, "We are profoundly grateful to the peoples of the socialist countries, to communist and workers' parties, and to national liberation movements for the consistent solidarity they have shown with us. It will continue to be an inspiring stimulus to the transformational activities of the revolutionaries of the new Afghanistan".<sup>16</sup>

A powerful wave of the national liberation movement engulfed the countries of western Asia, the peoples of the Arab East, then Africa, and Latin America. "Under the blows inflicted by anti-imperialist national liberation revolutions the colonial system created by capitalism fell apart."<sup>17</sup>

By 1974, 83 colonies and dependent territories had freed themselves from the foreign yoke. They formed new states or became part of newly-free countries which won independence earlier. In 1939 the colonial world covered 38 million sq km and numbered 700 million people, i.e., over one-third of the world's population, while today, according to UN statistics, about 6 million people, or less than 0.25 per cent of the world's population live in colonies, mainly on governed or mandate territories.

The great national liberation movement of the peoples of colonial and dependent countries which brought about the formation of scores of independent nation states has had an immense impact on the destiny of mankind. It has delivered an irremediable blow to imperialism, undermined its political, economic and military might and contributed to the formation of a new system of international relations based on the principles of peaceful coexistence, equitable cooperation and non-interference in the internal affairs of other states. The 1969 international forum of communists rightfully stated that in importance the elimination of the colonial system of imperialism was only second to the formation of the world socialist system.<sup>18</sup>

Beginning in the mid-1950s the young nation states embarked on the road of active struggle for peace and committed a number of acts of global significance. At that time the five principles of peaceful coexistence which won worldwide acclaim were developed and proclaimed, and the Bandung Conference was held. At that conference the young states expressed their desire for peace and cooperation and outlined ways of attaining these ideals.

The colossal successes scored by the national liberation movement of the peoples of Asia are inseparable from the policies pursued by the Soviet Union and the entire world socialist system. More than once the Soviet Union has forced imperialists to make concessions to the newly-free peoples and compelled the former to refrain from aggressive actions against the young Asian states.

<sup>16</sup> *World Marxist Review*, 1981, No. 6, p. 29 (in Russian).

<sup>17</sup> *Policy-Making Documents on the Struggle for Peace, Democracy and Socialism*, Moscow, 1969, p. 64 (in Russian).

<sup>18</sup> *Ibidem*.

Favouring the complete elimination of the colonial system, the Soviet Union secured the implementation, within the framework of the UN, of a number of major actions in support of the national liberation struggle. For example, the Declaration on Granting Independence to the Colonial Countries and Peoples proposed by the USSR and adopted in 1960 by the 15th UN General Assembly was a document of tremendous international significance. This historic document demanded that all colonial countries and other non-autonomous territories immediately be granted complete independence and the freedom to build their own nation-states in accordance with the freely expressed will and desire of their peoples. Colonial regimes, colonial administration of all kinds were to be completely eliminated in order to give the peoples of those territories an opportunity to choose their destiny and determine which form of government was best for them.<sup>19</sup>

This demand was organically linked with the basic substance of Soviet foreign policy which is founded on the Leninist premise that it is impossible to ensure peace and the security of peoples without granting complete freedom and national independence to colonial and dependent countries. The CPSU Programme states: "The CPSU considers fraternal alliance with the peoples who have thrown off colonial or semi-colonial yoke to be a cornerstone of its internationalist policy. This alliance is based on the common vital interests of world socialism and the world national-liberation movement. The CPSU regards it as its internationalist duty to assist the peoples who have set out to win and strengthen their national independence, all peoples who are fighting for the complete abolition of the colonial system."<sup>20</sup>

The Soviet Union has been giving enormous assistance to the newly-free countries in laying the foundations of their economic independence. With Soviet assistance about 1,950 enterprises and other projects have been commissioned in the developing countries.<sup>21</sup> Soviet loans are granted on easy terms (2.5 per cent interest over the period of 12 years) and have no political strings attached which would infringe upon the sovereignty of the recipient country. The USSR has intergovernmental agreements on economic and technological cooperation with almost 70 developing countries. Alongside this economic aid, some developing countries receive modern military hardware from the Soviet Union which enables them, within a short span of time, to set up efficient national armies to safeguard their sovereignty and progressive achievements.

In turn, the newly-free countries assist the Soviet Union and other socialist states in the struggle against imperialism and its aggressive policies. The former colonial and dependent countries, which once were the reserve of imperialism are now allying themselves with progressive anti-imperialist forces. In its foreign policy, the USSR invariably obtains the backing of the developing countries which see their future in a firm alliance with world socialism.

It would be no exaggeration to say that the cooperation of the Soviet Union with the developing countries in most diverse spheres is becoming increasingly stable and versatile, inasmuch as it is in the interests of the anti-imperialist struggle, and the cause of peace and the security of nations.

By the beginning of the 1970s the national liberation movement as a whole had undergone radical changes. Anti-imperialist national libera-

<sup>19</sup> See *Pravda*, Sept. 21, 1960.

<sup>20</sup> *The 22nd Congress of the CPSU*, Moscow, 1961, p. 357.

<sup>21</sup> In accordance with the classification system adopted by the UN, such socialist countries as Vietnam, the Democratic People's Republic of Korea, Laos and Mongolia have been included among the developing countries. For details see *The National Economy of the USSR in 1983. Statistical Yearbook*, Moscow, 1984.

tion revolutions in many countries stood on the threshold of their second stage, that of economic and social transformations. The documents of the Conference of Communist and Workers' Parties (1969) noted that a new alignment of class forces was taking shape in the national liberation movement which was becoming ever more profound as a result of its greater social acuteness.

This deepening of the national liberation movement's social content has been accompanied by the growing politicisation of the masses, the search for new, more efficient means of development, the invigoration of its activities in the international arena, the quest for new ways of guaranteeing national security, rebuffing the policy of blocs, and joining the nonaligned movement.

The intensification of these trends brought about the collapse of SEATO and CENTO, the main imperialist blocs in the East, the demise of the ASPAC military-political grouping, and the disintegration or weakening of other closed alliances and associations run by imperialist powers.

Casting a glance back over the road traversed by the national liberation revolutions, it can be said that they were culminated not only by the disintegration of the entire colonial system of imperialism, but also by the transformation of scores of young nation states into an independent factor in world politics. The nonaligned movement has emerged and grown strong on the ruins of the colonial system of oppression. It unites more than one hundred developing countries and acts as an important political, economic and military force which safeguards the interests of the newly-free states, their freedom and national independence. Representing the greater part of the world population, the nonaligned movement acts as a catalyst, breaking the colonial legacy and inequitable predatory relations, and remaking them on a new and more just basis. It can be said that in recent years the main confrontation in the zone of national liberation has been between imperialism and the nonaligned movement which has raised the national liberation struggle to a new higher level of development. At the initial stage of struggle the national liberation movement set itself the goal of eliminating the disgraceful system of colonial oppression and liberating all lands from foreign dependence, while in the 1970s and 1980s it has faced more complex problems which have had an increasingly pronounced social character.

However, it would be wrong to say that at any new stage of its development the national liberation movement never experiences difficulties and always makes a straight unbroken ascent to the next stage. Life shows that the more successful the struggle of the developing countries for their national social liberation, the more actively the forces opposing this historic process band together. When discussing the positive trends in Asian politics it is, of course, impossible to turn a blind eye to the negative developments which have occurred in the national liberation movement in some developing countries. In some states the exploiting upper crust succeeded in frustrating fundamental revolutionary and democratic changes and preserving its class hegemony. Frequently when progressive forces were insufficiently organised or blindly followed the fallacious propositions of the left-wing extremists after the proclamation of political independence, reactionary quarters, closely linked with imperialism, took over in a number of countries. They established an undemocratic order and began to repress communists and patriots. Imperialist powers make use of the most modern neocolonial methods in order to continue plundering their former colonies.

The granting of "aid" by imperialist powers and by international banks and financial centres (The World Bank, the International Development Association, the International Monetary Fund and others) is



a practice of vital importance to foreign capital in its attempts to penetrate the economies of the developing countries and exploit them. Through the ramified network of international credit and financial agencies the transnational companies tie the developing countries to the world capitalist system and appropriate the key branches of their economies. The TNCs have at their disposal a broad set of methods for exploiting young nation states. First, they grant them capital, know-how and technology, and then they gradually seize domestic markets and establish their commercial domination. From dominating commerce, the TNC switch over to establishing their sway in industry, and then only one step needs to be taken to secure economic and political domination.

For example, the International Monetary Fund only gives "aid" to the developing countries if they agree to open their doors to TNCs, "liberalise" exports, abandon national planning, move towards exporting their best products, limit the growth of wages, and curtail social programmes.

By the end of 1984 the foreign debt of the "third world" countries had reached almost \$900 million, and it is supposed that by the end of 1985 it will have reached \$1,000 billion. Today, the developing countries are giving more money to rich states than they obtain in the form of loans.<sup>22</sup>

During the past 30 years, it is pointed out in the documents of the 7th Conference of the Heads of State or Government of Nonaligned Countries (New Delhi, 1983), after the collapse of the colonial system the industrially developed capitalist countries exercised their rights as "partners" to pump more real values out of the young states than the former colonial powers had during the previous 300 years. The immense outflow of capital from the developing states, which, according to the UN statistics, reaches \$200 billion annually, bleeds these countries white and impedes their socio-economic development.

Drawing the developing countries into military adventures, into the vortex of the arms race, which brings huge profits to the international monopolies, is one of the ways in which money is pumped out of the developing states, the socio-economic processes occurring there are influenced and they are tied to the militaristic line of the West. This brings pernicious consequences for the young nation states. These countries account for \$100 billion of the \$650 billion spent for military purposes world-wide which puts an unbearable strain on their weak economies.<sup>23</sup> The arms race imperialism has imposed on the developing countries depletes their meagre material resources. For example, it has been estimated that the maintenance of one soldier in the Middle East costs as much as the social expenditures for 346 civilians.

The imperialist quarters are doing everything in their power to keep the young states within the capitalist economic system and to prevent the socio-economic processes of those countries from moving towards socialism. Imperialism has also been forced to change the tactics it uses to influence the developing countries in the socio-economic sphere. Before, the imperialist powers sought to preserve the domination of the tribal and feudal elements, while now they are pursuing a policy of clearing the way for capitalist relations of production. A theory of "catch-up development" has even been invented in the West. Its aim is, by means of gradual evolutionary development, to push the newly-free countries to gradually introduce the capitalist mode of production. For example, the practice of transferring large-scale "dirty" industries which consume a great deal of energy and pollute the environment to the developing

<sup>22</sup> See *Patriot*, April 3, 1985.

<sup>23</sup> See *World Armaments and Disarmament*, London, 1980, pp. 20-21.

countries has been extensively followed. The transnational companies continue to control these enterprises and the distribution of profits.

One form of struggle against monopolies—nationalisation of all foreign property or of individual enterprises—is being more extensively applied in the newly-free countries. Even in this case, however, the neocolonialists try to adapt themselves to the obtaining situation. They seek to make this nationalisation of a formal nature whereby the nationalised property legally belongs to the newly-free country but is actually controlled by the same TNCs, which continue to control finance, technological management, marketing of products and so on. Experience has shown that changing the legal owner does not solve all the problems which should be resolved by nationalisation in the broad sense—a profound process by which all economic, social and political structures become national—when the people of a given country become the total masters of national wealth.

Once the concept of "mutual dependence" was put forward in the West. According to that concept, the dependence of young nation states on the West was augmented by the dependence of the developed capitalist countries on the raw materials and markets of the developing countries. The authors of this concept are doing everything they can to convince young nation states that at present mutual survival is possible only on the basis of cooperation between the mother countries and the former colonies and semi-colonies. In practice, however, "mutual dependence" is nothing but unequal dependence, i.e., the retention of the old relations between the former colonial powers and the newly-free states on a technologically higher level.

When political and economic levers fail to produce the desired results, imperialist powers resort to force or to secret CIA operations. Frequently brute force or direct military intervention are used under the pretext of "protecting the vital interests" of one or another country, as was the case in Lebanon, Chad, Grenada and southern Africa. This is also done in relation to other fighting peoples. The situation in Nicaragua serves as a graphic example of gross military interference by US imperialism in the internal affairs of a newly-free country. The people which had won the right to free and independent life as a result of persistent and protracted struggle against the Somoza pro-American regime was forced to take up arms again in order to repulse the military aggression of US imperialism and its henchmen. Violating elementary rules of international law and the UN Charter, US imperialism has been waging an undeclared war against the heroic Nicaraguan people for the mere reason that the triumphant people's revolution there runs counter to the concept of US "democracy" and is not to the liking of Wall Street moneybags. A whole series of undeclared wars against Angola, Afghanistan, Kampuchea, El Salvador and other countries and peoples has been unleashed.

In its foreign policy US imperialism again emphasizes the formation of new and the consolidation of old military-political blocs and the expansion of the network of military bases and strongpoints in order to fight national liberation movements and the countries led by progressive forces.

Washington has long nurtured the idea of setting up an Eastern version of NATO under the specious name the Pacific Community which, for the time being, is advertised as allegedly a purely cultural and economic organisation whose objective is to promote greater mutual understanding among the countries of the Asian-Pacific region and establish mutually beneficial commercial and economic ties between them. In reality, this is nothing but an aggressive military-political bloc which, like NATO in Europe, would play the role of watchdog protecting US imperial interests in this strategically important area.

At the first stage, as the foundation of the future bloc, plans call for the Washington-Tokyo-Seoul alliance to be formed. On the basis of that alliance the edifice of the Pacific Community will then be erected.

According to the foreign press, US strategists thought it more convenient to ask Japan to advance the idea of a Pacific community, as it is in the geopolitical centre of the region, as it were. It was Masayoshi Ohira, the late Prime Minister of Japan, who was the first to advance this idea. However, nothing came of it because the ASEAN countries displayed a rather cool attitude towards it, being afraid, as *Daily Yomiuri* reported, that the industrialised states would take it upon themselves to implement the plan in accordance with their own interests.

Then the US administration stepped in. During his visit to Japan in November 1983 President Reagan bluntly stated that the Asian-Pacific region is a "new world outpost". In October 1984 US Secretary of State Shultz stressed that the US regards the creation of a Pacific community as the most important foreign policy objective of Mr. Reagan's second administration.<sup>24</sup> In this connection the Japanese newspaper *Sankei Shimbun* wrote that the US would like to set up a regional community like NATO and the Common Market in the Pacific which would encompass Japan, the US, China, the ASEAN countries, Canada, Australia and New Zealand.<sup>25</sup>

In September 1984 President Reagan declared the formation of the National Committee for the Pacific Economic Cooperation whose aim was to exert considerable influence on relations in Asia. This became the first organisational step towards implementing US policy in the Asian-Pacific region.

At present a large-scale propaganda campaign is under way to inculcate in the minds of the peoples populating the region the idea of forming such a "community". Various discussions, seminars, symposia and colloquiums, both bilateral and multilateral, are held all of which aim to create a moral and political climate in which this sinister plan may be translated into reality. Various benefits and blessings are promised to those who become members of that "community" which allegedly would firmly safeguard the interests of all the countries and peoples in the region in the struggle against the "Soviet threat".

Thus, US imperialism is seeking to set up a new aggressive military-political bloc in Asia which would oppose national liberation movements, and all progressive forces and peaceable peoples favouring stronger peace and security, and strengthening the freedom and independence of the peoples of Asia and the Pacific.

In connection with the 40th anniversary of the defeat of Japanese militarism, it is interesting to note that a special role in the future military-political bloc has been assigned to Japan which has experience, though bitter experience, in creating a sphere of "co-prosperity in Asia" and possesses substantial material and military resources with which it can become, together with the US, the backbone of the bloc. Tokyo has long been dreaming of establishing a military-political alliance in which the Japanese monopolies would set the tone.

At present Japan holds that together with the US, it has a real chance to implement its plan and play the role if not of the master, then, at least, of the manager. In the final analysis, the Japanese leaders hope to outplay their senior partner and become the true masters of the future community.

Clearly, the situation in Japan is changing rapidly for the worse. The forces of militarism and revanchism are again trying to restore the for-

<sup>24</sup> See *Japan Times*, Nov. 30, 1984.

<sup>25</sup> See *Sankei Shimbun*, Nov. 3, 1984.



mer "grandeur" of the Japanese empire. They have launched a broad offensive in the country against the forces of democracy and are intensifying their foreign economic expansion. The ruling quarters have taken major steps towards increasing the country's military muscle. They coordinate their foreign policy and military designs ever more closely with US imperialism. Having penetrated deep into the economies of many Asian countries, the Japanese monopolies, together with their American partners, are trying to set up socio-economic structures in those countries, which would impede the development of the national liberation movement and keep those countries within the framework of capitalist relations.

Numerous ultra-right, and leftist extremist groups along with rabid nationalistic organisations which whip up anti-Soviet sentiment among the Japanese people and set forth revanchist claims on Soviet land are becoming increasingly active in Japan. The extreme right-wing circles are trying to intimidate the Japanese people with "aggressiveness" of the Soviet Union which allegedly poses a "threat" to the national security of Japan. They call on the people actively to support militaristic plans aimed against the USSR and the other peaceable nations of Asia.

However, not all Japanese are passively watching their country slide back onto the road which leads to the gloomy past. The Japanese people still have vivid memories of the horrors of World War II—the tragedies of Hiroshima and Nagasaki, destroyed cities and villages, plants and factories bombed by US aircraft, and the millions of soldiers who perished in the battle for the interests of the upper crust. The Japanese people had a chance to see with their own eyes that their freedom is incompatible with the oppression of other peoples. The forces of Japanese democracy which grew and consolidated during the postwar period are strong enough to give a decisive rebuff to the militant revanchists and impudent militarists. The awareness of the catastrophe with which they are threatened is drawing more and more people into the antiwar movement, thereby turning the democratic camp into a real force in modern Japan.

Nevertheless, the situation in Japan and around it demands greater vigilance and a stronger rebuff in all directions to the Japanese expansionists who nurture dangerous plans to create a new hotbed of war and aggression in the Far East.

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## NORTH KOREAN DEVELOPMENT SUCCESSES, TIES WITH USSR NOTED

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[Article by V. I. Andreyev and V. I. Osipov: "The DPRK: Years of Struggle and Construction (On the 40th Anniversary of Korea's Liberation by the Soviet Army)"]

**T**he great victory over German fascism and Japanese militarism, won by the Soviet Union together with the other states of the anti-Hitler coalition and all of the forces of democracy, brought liberation to the peoples of Europe and Asia and saved world civilisation from destruction. The routing of the fascist bloc had a decisive impact on the whole process of social development. The world socialist system came into being, colonial empires disintegrated at a faster rate, and progressive democratic forces grew in strength.

The path of the Korean people to freedom and independence was not an easy one. For almost forty years it waged a courageous and unequal struggle against the Japanese enslavers who, as Lenin aptly put it, oppressed and plundered Korea with "unheard of ruthlessness". It was only in 1945 that crushing blows inflicted by Soviet troops smashed select Kwantung Army units and Korea became free.

Thousands of Soviet soldiers gave their lives for the liberation of Northeast China and Korea. The Korean people remembers and highly honours its liberators. Monuments and memorials have been erected in many cities and villages. Every year, on August 15—Liberation Day—the people of socialist Korea lay wreathes on the graves of Soviet soldiers and at the bases of memorials. Assessing the significance of the Soviet Armed Forces' liberation mission, General Secretary of the Central Committee of the Korean Workers' Party, President Kim Il Sung wrote: "The freedom and independence, the Korean people yearned for could only be delivered to it by the army of the world's first socialist state. August 15, 1945, the day of Korea's liberation by the great Soviet Army, signified a radical change in the history of Korea.

"The Soviet Army not only liberated Korea but defended the interests of the Korean people so that the fruits of liberation would really belong to it".<sup>1</sup>

Forty years have passed since Korea gained its freedom. In the North of the country, under the leadership of the Workers' Party, radical socio-economic changes have been effected. In the years since liberation the republic has traversed a difficult and glorious path. As a result of the heroic labour of the Korean people, the Democratic People's Republic of Korea has, with the fraternal assistance and support from the Soviet

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<sup>1</sup> *Relations of the Soviet Union with People's Korea 1945-1980 Documents and Materials* Moscow, 1981, p. 152.

Union and other socialist countries, been transformed from the once backward colony of imperialist Japan into a socialist state with an advanced industry and a developed agricultural sector.

The liberation of Korea released the people's creativity and the revolutionary process in North Korea gathered momentum. At the forefront of the struggle for a new life were the Communists who brought together in their ranks the best representatives of the working class, the peasantry and the progressive intelligentsia. On October 10, 1945, the North Korean Bureau of the Communist Party was established. Some time later it merged with the new People's Party, whose aims were close to those of the Communists. In this way the Korean Workers' Party was formed. It led the Korean people's struggle to radically transform the country. Under the guidance of the KWP, other friendly political parties began to act together with the peasants' union, trade unions, women's and youth organisations. Later they formed the United Democratic National Front (UDNF) which subsequently became the United Democratic Patriotic Front (UDPF). In the first months after the liberation the working people of the cities and villages began to liquidate the colonial administration, create new bodies of power—people's committees—and implement social transformations. In February 1946 the Provisional People's Committee of North Korea (PPCNK)—the central body of power was formed under the leadership of Kim Il Sung. The PPCNK issued a number of democratic decrees, including a law on land reform which abolished the system of colonial and feudal land tenure: the former landlords' lands were turned over to landless peasants and small holders. No redemption fee was charged. Industry, banks and transport were nationalised, the working day was set at 8 hours, women were given equal rights with men, and the national education system was reformed. By 1947, the people's democratic revolution in North Korea had, in fact solved its anti-feudal, and democratic problems.

On September 9, 1948 the Democratic People's Republic of Korea, the first state of workers and peasants in the centuries-long history of Korea, was proclaimed. The proclamation of the DPRK was the result of the long and courageous struggle by the Korean people for national independence and social progress. It provided an inspiring example to other Asian peoples fighting for national and social liberation.

The creation of the Democratic People's Republic of Korea was welcomed by all progressive forces. The Soviet Union was the first country to recognise the DPRK and establish diplomatic relations with it on October 12, 1948. On March 17, 1949 the USSR and the DPRK concluded the Agreement on Economic and Cultural Cooperation, which was signed during the visit to Moscow of a Korean government delegation headed by Kim Il Sung. As this document stressed, the strengthening of ties between the USSR and the DPRK "is in the vital interests of the peoples of both countries and will promote in the best way their economic and cultural development."<sup>1</sup>

The special significance of this agreement lies in the fact that, being the first in the history of Soviet-Korean relations, it laid the legal basis for the already existing types of cooperation between the two countries in the sphere of the economy and culture. In its spirit and the principles

<sup>1</sup> *Ibid.*, pp. 66-67

of full equality, mutual benefit, comradely support and assistance, the agreement was the expression of a new type of international relations. As the DPRK press noted at the time, "For the first time in its history the Korean people has concluded an equitable agreement."<sup>3</sup>

During the Korean government delegation's stay in Moscow agreements on trade turnover and payments, on granting the DPRK a long term credit of 212 million roubles (old rate), and on technical aid to the DPRK were also signed. Stressing the historic importance of the documents signed in Moscow for the DPRK, Kim Il Sung said: "These agreements open a new chapter in the history of our nation, strengthen the international political status of our republic and open up boundless vistas for the flourishing and development of our newly-born republic".<sup>4</sup>

By early 1950 the Korean people had scored notable successes in economic construction. Between 1946 and 1949 the country increased its output of electricity by 51 per cent, that of steel—three times, cement—5.2 times, fabrics—4.7 times, and chemical fertilizers—three times. On the whole, industrial output went up by 3.4 times. Major achievements were made in the development of agriculture, national culture and art.<sup>5</sup> However, progress along the socialist path was interrupted by a devastating war unleashed in June 1950 by the South Korean regime and American imperialism.

The rebuff to the armed aggression taxed the country's strength to the utmost. Answering the call of the Korean Workers' Party, the working people mounted a patriotic war of liberation in which they demonstrated mass heroism and endurance. In their struggle they relied on the mighty backing of the Soviet Union and other fraternal countries. True to its internationalist duty, the USSR, together with other socialist countries, consistently exposed and resolutely condemned the aggressors in the eyes of world public opinion, demanding an end to the intervention. The tireless struggle of the Soviet Union and other fraternal countries in the international arena for the restoration of peace in Korea, multiplied by the courage and heroism of the Korean people at the front and in the rear, proved to be factors of paramount importance in defeating the interventionists.

Alongside moral and political support, the Soviet and other peoples gave fraternal Korea a great deal of material aid in the form of weapons, ammunition, transport, industrial equipment, building materials, medicines, food, clothes and other goods. The Korean People's Army drew upon the rich combat experience the Soviet Armed Forces gained during the Great Patriotic War. The Korean People's Army (KPA) units had Soviet military specialists. In the rear there were Soviet hospitals for wounded Korean soldiers and civilians. The rear of the Korean forces and the Chinese people's volunteers who took part in the Korean War, was reliably covered by Soviet Air Force detachments based in Manchuria.

The active assistance of the USSR and other socialist countries, and the internationalist support of the world progressive public helped the courageous Korean people to endure. Having beaten off armed invasion, the Korean people upheld the freedom and independence of its country, defended its revolutionary achievements and forced the aggressors to sign an armistice agreement in Korea in July 1953. "Our people", said Kim Il Sung at a session of the Supreme People's Assembly in December 1953, "will never forget the sincere selfless aid rendered by the fraternal peop-

<sup>3</sup> *Minjoo Chosun*, March 18, 1949.

<sup>4</sup> *Relations of the Soviet Union with People's Korea*, p. 70.

<sup>5</sup> *Far Eastern Affairs*, 1974, No. 1 (in Russ.).

les, and these noble examples of proletarian internationalism will be written in golden letters in the history of our Motherland."<sup>6</sup>

The three-year war inflicted tremendous damage on People's Korea. Barbarous bombings had turned cities, villages, factories and plants into ruins. A total of 8.7 thousand factory buildings, 600 thousand houses, over 6 thousand educational and public health facilities and thousands of cultural establishments were destroyed, hundreds of thousands of people were killed or wounded, millions were left homeless. In all the DPRK economy suffered losses of over 420 billion won.<sup>7</sup>

The working people of the DPRK, under the leadership of the party of communists, once again, as it had after being liberated from Japanese colonial domination, set about rebuilding their country. Displaying inexhaustible heroism and lofty patriotism, the Korean people quickly healed the wounds war had inflicted. The fraternal socialist countries rendered the DPRK free assistance. The Soviet Union gave the DPRK aid worth 1,300 million rubles (old rate). As part of the aid, a steady stream of industrial equipment, machinery and building materials flowed into the republic, while Soviet specialists came to lend a hand. With this money the DPRK rebuilt or constructed several dozen industrial facilities, including some major enterprises.<sup>8</sup>

Maximum mobilisation of internal resources and reliance on the aid provided by the fraternal countries enabled the DPRK successfully to meet the objectives of the recovery time during the three-year-plan period of economic development (1954-1956). As it rebuilt the economy, the republic also continued implementing the series of socio-economic transformations interrupted by the war. In the late 1950s the DPRK completed cooperation of the peasantry, artisans and traders, thus ensuring the victory of socialist relations of production in the country's cities and villages. The five-year-plan (1957-1961) was fulfilled ahead of schedule. This was made possible by the high rates of industrial growth, which reached 36.6 per cent annually. The main result of the fulfilment of the five-year plan was the emergence of the DPRK as an industrial-agrarian socialist state.

During the 1960s, the working people of the DPRK, carrying out the directives of the 4th Workers' Party Congress (1961) scored new impressive achievements. As a result, the country became an industrial socialist state. New branches of industry were created, including the engineering industry. Formerly a backward Japanese colonial province, the DPRK began to turn out tractors, locomotives, automobiles, lathes, large-tonnage ships and complete equipment. The republic built hydro- and thermo-electric power stations, speedily developed iron-and-steel, and chemical industries and increased production of coal, iron ore, and non-ferrous metals. The base of light industry was strengthened. In the output of certain industrial products the DPRK reached the level of the world's developed countries. The 5th Workers' Party Congress (1970) attested to the completion of the country's industrialisation and its entry into the stage of full-scale construction of the material and technical base of socialism.<sup>9</sup>

During the 1970s the working people of the DPRK exerted efforts to achieve a major increase in the country's economic potential. The key objective of that period, as stressed by the Party's 5th Congress, was "to

<sup>6</sup> Kim Il Sung, *On the Results of the Work of DPRK Government Delegations Which Visited the USSR, the People's Republic of China, and Countries of People's Democracy*, Pyongyang, 1954, p. 5.

<sup>7</sup> *Far Eastern Affairs*, 1974, No. 1, p. 4.

<sup>8</sup> *Ibid.*, 1978, No. 3, p. 24.

<sup>9</sup> Kim Il Sung, *Report of the KWP Central Committee to the 5th Party Congress*, Pyongyang, 1970, pp. 51-52.



further strengthen the socialist system and bring the full victory of socialism nearer." Thanks to the people's hard work, the leading and guiding role of the Party and the assistance provided by the USSR and other socialist states, the country managed to ensure high rates of economic growth. Between 1971 and 1979 the volume of industrial production increased 3.8 times (with the average annual rate of growth reaching 15.9 per cent), the production of means of production went up 3.9 times, and the output of consumer goods increased 3.7 times.<sup>10</sup>

The republic scored major successes in the fulfilment of the seven-year economic plan (1978-1984). The volume of industrial production went up 2.2 times, production of means of production 2.2 times, that of consumer goods went up 2.1 times. The average annual rate of growth was 12.2 per cent.

During the second seven-year-plan period the country built 17,785 industrial enterprises, including 32 major projects: hydro- and thermal electric power stations, iron-and-steel and chemical plants, coal and ore mines, ore concentration plants, engineering works, consumer goods factories.<sup>11</sup> Today the DPRK can produce some 33,000 million kWh of electric energy, over 52 million tons of coal, 5.3 million tons of steel, 13.1 million tons of cement, 4 million tons of chemical fertilizer and 40 thousand metal-cutting lathes annually.<sup>12</sup>

Major achievements have been made in the development of agriculture. Recent years have witnessed stable cereal yields. In 1984 a record harvest was reaped—10 million tons, with an average yield of 72 centners of rice and 63 centners of maize per chonbo.<sup>13</sup> Yields of vegetables, fruits, industrial crops are also steadily on the rise. Important to boosting production of grain and other crops is the development of irrigation, as well as the mechanisation and chemicalisation of agriculture. In the DPRK 1.4 million chonbos, or 70 per cent of the total arable land, is under irrigation. The country has built 1.7 thousand water reservoirs, over 23.7 thousand pumping stations and 124.8 thousand artesian wells. The total length of all the irrigation canals combined exceeds 40 thousand kilometres.<sup>14</sup> To every 100 chonbos of arable land there are 7 tractors in the valleys and 6 tractors in the foothills and mountains. The amount of chemical fertilizer used per one chonbo is 1.6 tons; 97 per cent of all rice and maize fields are treated with herbicides.<sup>15</sup> The Republican Conference of DPRK Agricultural Workers held in Pyongyang in January 1985 worked out concrete measures to fulfil the task set by the 6th Party Congress—the achievement in the next few years of a cereal harvest of 15 million tons.<sup>16</sup>

The 6th Party Congress (1980) set new socialist construction goals for the 1980s. "The main task of socialist economic construction in the 1980s," President Kim Il Sung, General Secretary of the KWP Central Committee, stressed at the Congress, "is the creation of a solid material and technical base, which will correspond to a fully victorious socialist society, as well as a dramatic rise in the people's material and cultural levels."

In order to accomplish this task the Congress set 10 prospective economic tasks. On the basis of increased production in all industries 100 thousand million kWh of electricity, 120 million tons of coal, 15 million

<sup>10</sup> Kim Il Sung, *Report by the Central Committee of the Korean Workers' Party to the 6th Party Congress*, Pyongyang, 1980, p. 16.

<sup>11</sup> *Nodon Sinmun*, February 17, 1985.

<sup>12</sup> *International Affairs*, 1984, No. 9.

<sup>13</sup> *Information Bulletin of the CTAK*, November 1, 1984; *Nodon Sinmun*, January 2, 1985; 1 chonbo = 0.99 hectare.

<sup>14</sup> *Information Bulletin of the CTAK*, June 12, 1984; *Minjoo Chosun*, June 16, 1984.

<sup>15</sup> *Information Bulletin of the CTAK*, July 28, 1984.

<sup>16</sup> *Nodon Sinmun*, January 4, 1985.

tons of steel, 1.5 million tons of non-ferrous metals, 20 million tons of cement, 7 million tons of chemical fertilizer, and 1.5 thousand million metres of fabrics will have been produced, 5 million tons of fish and other sea products will have been caught, 15 million tons of grain will have been harvested and 300 thousand chonbos of saline lands will have been developed, all by the end of the 1980s. Attainment of these goals will result in a 3.1 fold increase in the total volume of production over 1980. This growth in economic potential will raise the population's material and cultural levels.<sup>17</sup>

In the forty years which have passed since Korea was liberated from the Japanese colonial yoke, a great deal has been done to resolve the republic's social problems, and raise the population's material and cultural levels. The documents of the KWP Congresses, the Constitution and the other legal acts reflect the strategic aim of the Party and the state in the sphere of social relations. The fundamental law of the country declares: "The state deems it the highest principle of its activity steadily to raise the material and cultural level of the people."

"In the DPRK the constantly growing material wealth of society is wholly channeled into raising the well-being of the working people".<sup>18</sup> The 6th KWP Congress set the task of continuing efforts to raise the material well-being of the working people.

During the years of people's power, the legislation regulating social relations was renewed. This became possible thanks, first of all, to the strengthening of the socialist state and the consolidation of socialism's material and technical base in the DPRK. The legislation which was adopted includes such major legal acts as the Law on Socialist Labour, the Regulations on Labour Discipline, the Regulations on the System of Payment for Socialist Labour, the Law on the Protection of Childhood and the Upbringing of Children, the Law on Public Health and some others.

The state constantly concerns itself with constructing housing, as well as cultural and consumer service facilities, and with raising the people's level of education. The population has been completely freed of taxes, prices on food and consumer goods are being reduced, and the wages of workers and employees and the incomes of peasants are on the rise. Rent for apartments in cities constitutes only 3 per cent of a family's expenses, while in rural areas rent for housing does not exist at all.<sup>19</sup> Medical care in the republic is free of charge.

The DPRK is a country of total literacy. It boasts 10 thousand schools, 576 specialised secondary schools, and 216 institutions of higher learning. Over 1.2 million have acquired a higher or specialised secondary education during the years of people's power.<sup>20</sup> A conference of teachers, held in August 1984, set the task of raising the quality of training given to the nation's future specialists in the economy.

The DPRK is successfully developing culture and the arts. Over 150 feature and documentary films are produced annually. National operas are staged and the number of theatres, cinemas, and community centres is constantly increasing. A Palace of People's Culture, a Palace of Sports, the Mansude Art Theatre and a Palace of Education have all been built in recent years in Pyongyang. Opened not long ago in the city of Ham-

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<sup>17</sup> Kim Il Sung, *Report by the Central Committee of the KWP to the 6th Party Congress*, pp. 61-62.

<sup>18</sup> *The Socialist Constitution of the DPRK*, Pyongyang, 1982, p. 8.

<sup>19</sup> *Korean Review*, Pyongyang, 1982, p. 227.

<sup>20</sup> *Information Bulletin of the CTAK*, June 2, August 23, 1984; *Korean Review*, p. 234. *Nodon Sinmun*, July 21, 1984, February 17, 1985.

hyn is the Grand Theatre, beautiful in its architectural design and artistic decor.

In the 40 years of progress along the socialist road, the Democratic People's Republic of Korea has become a full-fledged member of the international community. As the material and technical base of socialism became consolidated, the international position of socialist Korea grew in strength. The rise in the republic's international prestige is directly linked with the comprehensive support given the DPRK by the countries of world socialism and by all progressive, peaceable forces. All attempts by imperialism to isolate the DPRK have failed utterly. In the early 1970s, the DPRK maintained diplomatic relations with only 37 countries. However, thanks to the growing might of the socialist countries, and the persistent efforts of Korean diplomacy, the republic has considerably expanded its international ties. Today it has diplomatic relations with more than 100 countries. The DPRK is an equal member of over 150 international governmental and non-governmental organisations and has a permanent observer mission at the UN.<sup>21</sup>

The country's foreign policy orientation is reflected in the DPRK Constitution. According to Article 16, "the state, in keeping with the principles of Marxism-Leninism and proletarian internationalism, unites with the socialist countries and all the peoples of the world in opposing imperialism and actively supports their national liberation and revolutionary struggle".<sup>22</sup> The DPRK builds its relations with states belonging to a different social system on the principles of full equality, mutual respect, mutual benefit and noninterference.

Pride of place in the international activities of the KWP Central Committee and the DPRK Government is held by the socialist countries. The DPRK has concluded Treaties of Friendship, Cooperation and Mutual Assistance with the USSR and the PRC, and Treaties of Friendship and Cooperation with the GDR, Bulgaria and Romania.

Long-standing bonds of traditional friendship, born in the course of joint revolutionary struggle and through close cooperation, unite the Soviet and Korean peoples. Based on the principles of Marxism-Leninism and proletarian internationalism, and on the common aims of building socialism and communism, the relations between our countries are an example of fruitful and selfless cooperation, mutual assistance and solidarity.

Of great importance for the consolidation of the traditional fraternal ties between the USSR and the DPRK is the Treaty of Friendship, Cooperation and Mutual Assistance concluded in Moscow on July 6, 1961 during the visit to the USSR of the DPRK Party and Government delegation, headed by Kim Il Sung. The Treaty reflects the desire of both nations steadily to strengthen political, economic and cultural ties and is an important instrument for promoting peace and security in the Far East.

The conclusion of the Treaty of Friendship, Cooperation and Mutual Assistance between the USSR and the DPRK was of historic importance for the peoples of both countries. The treaty legally sealed the fraternal alliance of the two peoples, which is based on the principles of Marxism-Leninism and socialist internationalism. In this connection, Kim Il Sung said: "The Korean people always deems it its sacred duty to support the Soviet Union, and strengthen its friendship and solidarity with the Soviet people; it infinitely values Korean-Soviet friendship. The Korean people will continue to make every effort to further promote its friendship and solidarity with the Soviet people and will be faithful to the end to the sacred obligations placed upon it by the Treaty. Tried by history and

<sup>21</sup> *Minjoo Chosun*, December 5, 1984.

<sup>22</sup> *The Socialist Constitution of the DPRK*, p. 5

forged even more strongly together by the bonds of the Treaty of Friendship, Cooperation and Mutual Assistance, Korean-Soviet friendship is eternal and unbreakable."<sup>23</sup>

Attaching the greatest importance to this treaty as a major international legal act regulating bilateral relations, the Soviet Union and the Democratic People's Republic of Korea prolonged it in 1981. It was stressed that in today's world it continues to serve the cause of the development and enrichment of the long-standing Soviet-Korean friendship and fruitful cooperation.

A major landmark in Soviet-Korean relations in the early 1980s was the official, friendly visit to the USSR by a Party and Government delegation from the Democratic People's Republic of Korea headed by the President of the DPRK and General Secretary of the KWP Central Committee Kim Il Sung, in May 1984.

The summit talks focused on the question of further strengthening the friendship and cooperation between the CPSU and the KWP, the USSR and the DPRK. The two sides thoroughly examined the present state of Soviet-Korean relations and their prospects. Satisfaction was expressed over bilateral ties in the spheres of trade, economy, science, technology and culture. At the same time it was noted that there are still broad opportunities for deepening cooperation, especially in exchanging experience gained in the cause of party work, and undertaking joint political action in the international arena. Those participating in the talks were unanimous in their opinion that practical steps must be taken to perfect Soviet-Korean cooperation in all spheres. They stressed the importance of regular consultations on urgent international and other issues of mutual interest. It was reaffirmed that the 1961 treaty of alliance remains a reliable foundation for the development of Soviet-Korean relations and an important instrument for ensuring peace and security in the Far East.<sup>24</sup>

Much attention in the course of the negotiations was devoted to international affairs. The Soviet and Korean leaders expressed full unanimity of opinion regarding the true causes of international tension, namely the aggressive actions of the US and NATO, the militaristic and revanchist aspirations of Japan's ruling circles, and attempts by imperialism and reaction to hamper the law-governed historical development. The DPRK delegation expressed solidarity with the constructive proposals made by the Soviet Union and other socialist states, aimed at upholding peace and security in Europe and throughout the world.

"The Korean Workers' Party and the Government of our Republic," Kim Il Sung pointed out at a reception in the Kremlin, "actively support the just position and measures undertaken by the Communist Party of the Soviet Union and the Soviet Government in the interests of decreasing international tension and eliminating the threat of a new world war, of thermonuclear war, and express firm solidarity with the Soviet people in its struggle to achieve these aims."<sup>25</sup> During the Moscow talks the Soviet delegation expressed its support for the DPRK's programme for a peaceful democratic settlement of the Korean problem.

The Soviet and Korean leaders expressed their support for strengthening the unity and cohesion of the socialist countries, which promote the successful building of socialism in each country, circumvent imperialism's aggressive schemes, and defend peace and social progress on our planet.

The results of Kim Il Sung's visit to Moscow and his talks with Soviet leaders were highly assessed in the Soviet Union. The Politburo of the CPSU Central Committee at its session noted the significance of the exchange of opinions on the questions of developing friendship and coopera-

<sup>23</sup> Supplement to the magazine *New Korea*, 1961, No. 15, p. 13.

<sup>24</sup> *Pravda*, May 24, 25, 1984.

<sup>25</sup> *Pravda*, May 24, 1984.



tion between the USSR and the DPRK and on the key problems of the present situation. The Soviet-Korean negotiations, said the announcement on the session of the CPSU Central Committee Politburo, will undoubtedly lead to further expansion of ties between the two parties and countries on the basis of the principles of Marxism-Leninism and socialist internationalism, and help the struggle waged by peoples to ensure the security of the Far East and the world as a whole.<sup>26</sup>

The Central Committee of the Korean Workers' Party devoted its July (1984) Plenary Meeting to the results of the visit by the DPRK Party and Government delegation to the USSR and other socialist countries. As was noted in the meeting's resolution, the negotiations with the leaders of the USSR and other socialist countries strengthened confidence and mutual understanding and raised the relations of friendship and cooperation between the DPRK and these countries to a new level. The KWP Central Committee, it was further stated, fully supports and approves the high assessment given by the DPRK Party and Government delegation to the peaceable proposals by the USSR and European socialist countries, and expresses its firm solidarity with the measures taken by them in reply to the deployment of new American nuclear missiles in Western Europe. The Plenary Meeting of the Korean Workers' Party Central Committee expressed its gratitude to the fraternal socialist countries for their support of the just struggle of the Korean people for a peaceful, democratic reunification of the country. At its Plenary Meeting the Central Committee expressed the resolve of the KWP and the DPRK Government to hold aloft the banner of Marxism-Leninism and proletarian internationalism, to strengthen their solidarity with the peoples of the socialist countries, and with all the progressive forces of the present day.<sup>27</sup>

The summit meeting in Moscow gave new impetus to Soviet-Korean relations. Inter-party ties are growing. The CPSU and the KWP are stepping up exchanges of delegations at different levels to study the experience each country has gained in directing the building of socialism and communism, in ideological work, and to hold consultations on topical issues of international development. A plan of exchanges between the Foreign Ministries of the two countries which envisages expansion of cooperation in the area of international affairs has been signed. Ties between public organisations, and in the areas of cultural cooperation, public health and sports are also growing. Several hundred Korean students and postgraduates have come to the USSR to study at Soviet institutions of higher learning.

Within the complex of Soviet-Korean relations an important place is taken by commercial, economic, scientific and technical cooperation. The USSR is the DPRK's main trading partner, accounting for over 25 per cent of the republic's trade turnover. In 1983 the volume of trade between the two countries amounted to 587.4 million roubles, with Soviet exports accounting for 262.4 million roubles, and imports accounting for 325 million roubles; in 1984 the Soviet-Korean trade turnover reached 712.8 million roubles.

The Soviet Union continues to assist the DPRK in building important industrial projects. At present the DPRK with Soviet economic and technical assistance has built, reconstructed and restored 64 major enterprises with another eight still under construction.<sup>28</sup>

At present, Soviet and Korean planning organisations are working on plans for bilateral cooperation for the period 1986-1990.

The struggle for peace, security and the peoples' right to develop freely meets with the active and consistent support of the Korean Wor-

<sup>26</sup> *Pravda*, June 1, 1984.

<sup>27</sup> *Nodon Sinmun*, July 10, 1984.

<sup>28</sup> *Foreign Trade of the USSR*, 1984, No. 12, p. 15 (in Russ.).



kers, Paris and the DPRK Government. As it was emphasised at the 6th KWP Congress (1980): "the struggle to eliminate the threat of a new world war, to ensure peace and security on our planet is the most important task facing the peaceable peoples of the world".<sup>1</sup> Socialist Korea actively supports a total ban on the production, testing, stockpiling and use of nuclear and chemical weapons, and would like to see every type of chemical and nuclear weapons destroyed.

The DPRK, together with the Soviet Union and other socialist countries, is waging an implacable struggle against the formation in the Asian-Pacific region of a military-political alliance between the US, Japan and South Korea.

The DPRK strongly criticised the visits by Ronald Reagan and Yasuhiro Nakasone to Seoul in 1983, and Chiang Din Hwang's trips to the US in 1981 and to Tokyo in 1984. As noted in the Korean press, these visits constituted yet another attempt at speeding up the building of a military triangle. The actions by the US and its partners in the region were described as hostile and aimed at both perpetuating Korea's division and building a bridgehead for military adventures in Asia.<sup>2</sup>

The DPRK fully supports the national liberation movement. The Korean working people always display solidarity with the struggle of the Arab people against the Israeli aggressors, to liberate all the Arab lands occupied in 1967. It supports the Palestinian people's demand concerning the creation of their own state under the leadership of the PLO. The Government of Socialist Korea supports the struggle of the people of Namibia for independence, recognises SWAPO as the sole legitimate representative of the Namibian people, and expresses its solidarity with the struggle of South Africans to do away with racism and apartheid. The DPRK resolutely opposes the Reagan administration's threats to strangle the Sandinista revolution in Nicaragua, gives it unconditional support to the patriotic forces of Central America and the Caribbean in their struggle against anti-popular regimes.

The people of socialist Korea roundly condemned the US aggression against independent Grenada, which has been the foreign Ministry of the DPRK described Washington's actions as "a constant challenge to the peoples of the Caribbean and of the whole world".<sup>3</sup>

The Republic's government is at one with the progressive wing of the non-aligned movement, and supports its anti-imperialist orientation.

Over the years of socialist construction the DPRK has built an industrial base of great strength that is in a position to render material aid and technical assistance to developing countries in the creation of a new society. The DPRK helped build some 30 primary and factories in 22 countries, as well as irrigation facilities in 20 countries, over 50 thousand Korean engineers and technicians have worked in 50 developing countries.<sup>4</sup>

The DPRK continues to further mutually beneficial commercial, economic, scientific and technical cooperation with young independent states on a long-term basis. It has agreements on economic, scientific, technical and trade cooperation with over 40 countries.

In recent years the DPRK has considerably strengthened its ties with the developed countries, having signed a number of treaties of friendship and cooperation. At the moment the Republic has concluded such treaties with eleven young states, including countries of socialist orientation (Angola, Guinea Bissau, Zimbabwe, Madagascar, Mozambique). In 1983 the DPRK concluded a treaty of friendship and cooperation as well as an agreement

<sup>1</sup> Kim Il Sung, *Report to the 6th KWP Congress* (Pyongyang, 1980), p. 166.

<sup>2</sup> *Workers' Herald*, 20 January 1984.

<sup>3</sup> *Jose Ch'ulgi*, 21 June.

<sup>4</sup> *Workers' Herald*, January 27, 1983.

on economic and technical cooperation with socialist Ethiopia. In accordance with this agreement, the DPRK granted Ethiopia an interest-free loan for the construction with Korean participation of a 150,000 kW hydro power station. It also supplied free aid for the development of Ethiopian agriculture and mining.<sup>33</sup> In October 1984, during a visit to the DPRK of a party and government delegation from the People's Democratic Republic of Yemen a treaty of friendship and cooperation between the two countries was signed in Pyongyang.

The DPRK's relations with developed capitalist countries are limited due to the fact that most of them favour the South Korean regime. However, the DPRK maintains contacts with progressive parties and organisations in these countries and has trade relations with a number of Western capitalist states. In late 1984 the DPRK set up a general representation in France, which fulfills diplomatic functions. Active trade relations are maintained between the DPRK and Japan.

The Korean Workers' Party sees its main foreign policy task in creating favourable conditions for the peaceful, democratic reunification of the country. The DPRK has addressed over 260 times the US and South Korean authorities with concrete proposals aimed at furthering the search for a peaceful solution to the Korean question.<sup>34</sup>

Much attention was devoted by the 6th Congress of the Korean Workers' Party to the problem of achieving a political settlement on the Korean peninsula. In pursuance of earlier proposals and taking into account the actual situation on and around the peninsula, the Congress once again came up with the initiative of forming a confederation consisting of the DPRK and South Korea as one stage in the process of normalising the situation in Korea and creating the prerequisites for finding a peaceful, democratic solution to the Korean problem without interference by imperialist forces.

An integral part of the plan for political settlement on the peninsula put forward by the 6th KWP Congress is an appeal by the highest forum of Korean Communists to the United States that talks be held on the question of replacing the Armistice Agreement in Korea signed in 1953, with a peace agreement. The first such proposal to the US, the chief participant in the aggression against the DPRK between 1950 and 1953, was contained in a message sent by the DPRK Supreme People's Assembly to US Congress in March 1974 which remains unanswered to this day.<sup>35</sup> The Party Congress also demanded the withdrawal of US troops from South Korea as soon as possible, stressing that such an action would be in the interests not only of the Korean people, but also of the peoples of other countries, including the American people. It would also be in the interests of maintaining peace throughout the world.

Hoping to normalise the situation on the Korean peninsula and liquidate tension in the region, aggravated by the speedy formation of the Washington-Tokyo-Seoul military alliance, the DPRK, in January 1984, took a new political initiative.

A joint session of the Central People's Committee (CPC) and the Permanent Council of the Supreme People's Assembly (SPA) discussed the question, "On New Measures to Find a Peaceful Solution to the Korean Question", and moved the proposal that tripartite talks be held between the DPRK, the US and South Korea.<sup>36</sup>

The DPRK proposes that the participants in these talks should first examine the question a) of concluding a Korean-American peace agreement which would replace the Armistice Agreement of 1953, and legally

<sup>33</sup> *Ibid.* October 24, 1983.

<sup>34</sup> *The DPRK's Proposals on Reunification*, Pyongyang, 1982, p. 1.

<sup>35</sup> *Modern History of Korea*, Pyongyang, 1979, pp. 633-634.

<sup>36</sup> *Andon Sinmun* January 11, 1984.

put an end to the Korean War, and b) of withdrawing US troops from South Korea. "The signing of a Korean-American peace agreement and the withdrawal of American troops from South Korea," stressed the announcement made after the joint session, "are the main guarantee of a stable peace in Korea and a prerequisite for the Korean people to reunify the country acting on its own, without outside interference."<sup>37</sup>

Another question of paramount importance suggested by the DPRK for the agenda of these talks is that of adopting a declaration of non-aggression under which both North and South would pledge not to use military force against each other, troops and weapons would be drastically reduced in number, and the state of military confrontation on the Korean peninsula would be liquidated.

After achieving agreement on these two questions, it was noted at the joint session, it would be possible to settle the question of reuniting Korea by creating a confederative republic and convoking a national conference.

The Central People's Committee and the Permanent Council of the DPRK Supreme People's Assembly sent letters to the US government and Congress, as well as to the Seoul authorities, describing the essence of the new measures to find a peaceful solution to the Korean problem. These documents propose that the US and South Korea take part in the negotiations.<sup>38</sup>

At its regular session in late January 1984 the Supreme People's Assembly, the highest body of state power in the DPRK, approved the proposals made by the DPRK, having examined the question "On Providing Guarantees for Peace in Korea and the Acceleration of the Independent Peaceful Reunification of the Motherland". As a result a decree and an appeal to the Parliaments and Governments of the countries of the World were adopted.

Given the pro-American nature of the South Korean regime, the presence of US troops in South Korea and the existence of the "Joint US-South Korean Command" headed by US Army generals, the DPRK thinks that tripartite talks are best capable of finding a comprehensive solution to all of the problems of the Korean peninsula. At the same time the possibility of bilateral ties between North and South is not ruled out either. Thus, in November 1984 negotiations on establishing economic relations were begun,<sup>39</sup> and the meetings between Red Cross representatives on humanitarian questions were resumed.<sup>40</sup>

The 4th session of the 7th DPRK Supreme People's Assembly in April 1985 proposed establishing ties between the parliaments of the two parts of Korea through which representatives of all parties from each side could discuss ways of reducing tension in Korea and adopt a declaration on non-aggression. This inter-parliamentary dialogue would pave the way for political talks between Pyongyang and Seoul "at the summit level".<sup>41</sup> The DPRK Supreme People's Assembly approved a "Letter to the Parliament of the Republic of South Korea" containing this proposal.

The Soviet Union takes an understanding attitude towards the Korean people's main national problem—how to reunify the country, split by American imperialism.

<sup>37</sup> *Ibidem*.

<sup>38</sup> *Nodon Sinmun*, January 11, 1984.

<sup>39</sup> *Nodon Sinmun*, December 15, 1984, April 5, 1985.

<sup>40</sup> *Ibid.*, November 21, 1984, April 5, 1985.

<sup>41</sup> *Ibid.*, April 10, 1985.

## GOALS OF JAPAN'S ECONOMIC 'AID' TO THIRD WORLD ASSAILED

Moscow FAR EASTERN AFFAIRS in English No 4, Oct-Dec 85 pp 56-64

[Article by O. B. Vasilyev: "Japan: Behind the Screen of 'Economic Aid'"]

In the early 1980s, the ruling circles in Japan, were unprecedentedly active and persistent in pursuing a policy aimed at ensuring Japan's broader participation in world affairs, playing a bigger role in the capitalist world and gaining a greater international prestige. Japan's present leaders repeatedly declared their adherence to this course. Speaking at a New Year's eve press-conference in 1983, Prime Minister Yasuhiro Nakasone said that it was "his most ardent wish to see Japan a great political power within the Western community."<sup>1</sup>

In a bid to bring Japan's political weight up to the level of its economic potential and engage in "global diplomacy", its leaders gave particular attention to Japan's relations with the developing countries. The latter's interest in economic and technical cooperation is being used to consolidate Japan's position in the West and help it assume the role of an "intermediary" between the "Third World" and the "Western community" and a "bridge between North and South".

Developing countries were traditionally a central theme in Japan's foreign economic policy in the postwar period. This has its roots in the distinctive features of Japan's economy and foreign economic ties and in the scarcity of its own raw materials and fuel. These countries are still economically vital for Japan, accounting for nearly 50 per cent of its foreign trade (including over 40 per cent of exports and 55 per cent of imports), more than 53 per cent of direct foreign investments and considerable resource inflow within the framework of economic cooperation.<sup>2</sup> The developing world supplies nearly two-thirds of the fuel and raw materials needed to sustain Japan's economy. Most of these commodities cannot be obtained from other countries. Thus, developing countries have been assigned the role of "ground floor" in the vertical structure of the international division of labour. Its task is to ensure that Japan's economy runs smoothly.

The policy of open plunder and exploitation has triggered anti-Japanese sentiment in many developing countries. Seriously concerned by this, Japanese ruling circles have, over the past decade, introduced certain changes in the forms of economic relations with the developing world, making them more flexible and seemingly more responsive to the partners' interests. Without abandoning traditional forms, such as foreign trade and direct foreign investment, Japan is increasingly engaging in economic cooperation, a relatively new form of economic relations for Japan. The features which make it outwardly attractive (such as easy-term or even free financial and technical assistance) will, Japan hopes, minimise the developing countries' distrust of Japan. Over the same period, Japan's economic cooperation with the developing world has undergone substantial quantitative changes. Japan has become a leading "donor"-country. It channels its resources to many "Third World" countries, providing economic assistance to virtually all of the developing regions thereby having no small effect on the development of economic and social

<sup>1</sup> *Yomiuri*, December 31, 1983.

<sup>2</sup> Based on figures from *Nihon takei geppo*, April 1984, p. 75, and *White Paper on Foreign Markets*, Yearbook, 1984, p. 12.

structures there. In the 1970s, the volume of Japan's economic aid increased by 530 per cent, whereas the average increase for the member-countries of the OECD's Development Assistance Committee amounted to a mere 230 per cent. At the same time, however "aid" continues to constitute but a small portion of Japan's GNP. In 1983, for instance, it amounted to just 0.33 per cent, whereas for France the figure was 0.76 per cent, for West Germany—0.49 per cent, and for the Netherlands—0.91 per cent. In 1983 Japanese "aid" totalled \$3.7 billion.<sup>3</sup>

Characteristically, Japan's policy towards the "Third World", its economic offensive aimed at consolidating its position there—continues to be accompanied by vigorous ideological expansion and broad use of the "Afro-Asian community" thesis. In this context Japan's participation in the UN Afro-Asian Group, where it acted as a country whose "historical mission" was to "mediate between North and South", was indicative.

In recent years, Japan's policy towards developing countries has undergone some fundamental changes closely connected with its strategy of securing for itself a bigger role in international politics. These changes involve a reassessment of Japanese objectives, greater "politisation" of its "economic diplomacy" and increasingly selective pragmatism vis-à-vis the developing countries. The old objective of ensuring stable supplies of fuel and raw materials has been supplemented by new primarily political goals.

This was actually confirmed by Nakasone in his address to the Indian Parliament during his visit to New Delhi in May 1984. Foreign observers called this address the starting point of the Nakasone Cabinet's diplomatic philosophy towards the developing world. The Japanese Premier stated in no uncertain terms that Japan intended to use its economic, scientific and technological potential more actively and broadly to achieve the political goals set by the West.<sup>4</sup>

The steps Japan has taken in recent years in relation to the developing countries clearly show that its policy is increasingly being coordinated with that pursued by the "Western community", particularly, the United States.

As this trend in Japan's foreign policy grew stronger, Japanese leaders, when defining policy objectives in regard to developing relations with the "Third World", began to place greater emphasis on national security and that of the "Western community" as well as on the need to create an international climate in various regions which would be favourable to "Western democracies". This, of course, did not preclude the goal of expanding and consolidating Japan's own influence and, wherever possible, leadership. Economic aid for development was regarded as one of the chief means of attaining these objectives.

In 1980, Japan's Ministry of Foreign Affairs stated for the first time that official (government) aid for development was intended not only to further economic and humanitarian goals, but also to create and maintain an international order conducive to preserving and consolidating the Western political system.<sup>5</sup> This statement clearly showed that Japan's Foreign Ministry regards economic aid as Tokyo's "contribution" to settling up an international order which would be in keeping with the West's interests and instrumental in ensuring Japan's "comprehensive security". "National security" is used as a prism through which economic aid is considered in virtually all Japanese official periodicals in recent years. As a rule, the elaboration and realisation of the aid-for-development po-

<sup>3</sup> See *Japan Quarterly*, October-December, 1983, vol. XXX, No. 4, p. 402; *Japan 1984, International Comparison*, Tokyo, 1984, p. 54.

<sup>4</sup> See *Nihon Keizai shimbun*, May 4, 1984.

<sup>5</sup> *Diplomatic Bluebook*, 1980, pp. 30-31.



policy are tied in with the need to cooperate and coordinate Japan's actions with developed Western countries.<sup>6</sup>

Japan began intensively to coordinate with Western countries its aid-for-development policy in the late 1970s and early 1980s. Coordination problems were discussed at the annual summits of the "Big Seven" as well as in the OECD's Development Assistance Committee. In addition, Japan began to participate in bilateral meetings and consultations on economic aid at which "joint actions" in a particular developing country were coordinated with Western countries. Today, there are consultative bodies for Japan and the United States, Japan and the EEC, Japan and Britain, Japan and Australia, and Japan and Canada.

Tokyo responded to Washington's call for Japanese aid to developing countries to be tied more closely to American military and political interests and expressed, in a joint Japanese-US statement in May 1981, its readiness to increase aid to "those regions which are vital to the maintenance of stability in the world". Thereby Tokyo announced a new approach to economic aid, which was reflected in a selective increase of aid to those countries which the West considered "strategically important". These, as US leaders have acknowledged, include those countries which directly confront the USSR and the other members of the socialist community (the so-called frontline states) or need assistance to maintain and stabilise reactionary regimes backed by the United States and the West at large. Japanese officials, including some at the highest level of government, declared that "in formulating its policy as regards official aid for development, the Japanese government takes an equitable approach and does not single out certain countries on the basis of their social system".<sup>7</sup> The facts, however, convincingly and irrefutably demonstrate that the terms, scale and regional orientation of Japanese aid are determined by the socio-political orientation of the recipient countries.

Japan's policy towards Indochina provides ample evidence. It is no secret that Tokyo shares Washington's point of view concerning the events that took place in Indochina in 1978-1979. This is why it instituted economic sanctions against the Socialist Republic of Vietnam and froze all deliveries of goods on account of the loans and credits agreed upon earlier. In an attempt to exert economic, political and psychological pressure on Vietnam, Japanese officials say that aid may only be resumed if Vietnam succumbs to the political demands of the West.

Japan's policy towards Laos is equally subordinated to the course pursued by the West and aimed at preserving the tense situation in Southeast Asia and making it more difficult for the peoples of Indochina to build a new, peaceful life. Declaring its readiness, in principle, to expand its economic assistance to Laos, Japan hints that it wishes Laos would reduce its ties with Vietnam and "reorientate its economic system" (read along capitalist lines).

Japan's strategic partnership with Western countries is aimed at countering the influence of socialism and the national liberation movement in Southeast Asia and preserving mistrust and mutual suspicion there. Its policy towards the ASEAN countries, which Tokyo considers a zone of its "special interest", is part and parcel of this partnership. Characteristically, in expanding economic aid to these countries, Japan increasingly seeks to solve problems of a political nature. Using "aid" to Indochina's refugees as a screen, Tokyo gives considerable material assistance to the Pol Pot gangs based in Thailand. Japan is overzealous in backing up the US instigated campaigns against the so-called Kampuchean question. Japan's mass media widely reported the decision taken by the Ministry

<sup>6</sup> *The Japanese Economy* (Tokyo, May 1987), pp. 18-19.

<sup>7</sup> *From Prime Minister's Office, Statement* (Tokyo, 18 May 1981) (in the *Yomiuri Shimbun*).

of Agriculture, Forestry and Fisheries in the autumn of 1983 to give gratis 1.3 billion yen (some \$5.5 million) to implement a joint Japanese-American-Thai programme for the development of agriculture in Thailand. The United States, in its turn, allocated 500 million yen (some \$2 million). The Japanese press emphasised that, despite the relatively modest financing by the two major capitalist powers, the project is important as a symbol. It is, in fact, a joint step taken by Japan and the US in relation to the ASEAN countries in a bid, not only to provide economic assistance to Thailand, but also to achieve a purely political goal, viz., to prop up the present regime in Thailand and counter the USSR's influence in the region. Japanese officials have actually confirmed that the project is indeed intended to further the attainment of that political objective. They were reported to have said that the project is not purely economic, but also seeks to counter the "Soviet threat".

The Japanese public and the country's politicians widely commented on the decision taken by the government and the Bank of Japan in the spring of 1984 to give the Philippines a new "package" of easy-term government loans totalling 42.5 billion yen and to postpone the payment of 13 billion yen against the previous years' debt. The Japanese press noted that for the first time since World War II Japan had granted new easy-term loans to a developing country that was unable to repay its debts. The decision taken by the Japanese Cabinet on the eve of general elections in the Philippines, was viewed as political support for the Marcos government.<sup>8</sup>

Tokyo's decision to extend a "helping hand" to the Marcos regime aroused indignation among the opposition in the Philippines. In mid-March 1984, mass demonstrations were held at the Japanese Embassy in Manila in protest against Tokyo's loans. The participants presented a statement to an embassy staffer and appealed to the Japanese government to put off granting aid to the Philippines until democratic reforms have been carried out there.

In recent years, Japan has substantially increased economic aid to Pakistan. Japanese and foreign political analysts are unanimous in viewing this as Tokyo's recognition (prompted by Washington) of that country's "geopolitical significance" for the West. In 1980, Japan doubled its economic aid to Islamabad and was its largest source of aid for the next three years. In 1983-1984, Pakistan and Japan exchanged visits by top-ranking delegations: in July 1983, President Zia ul-Haq paid an official visit to Japan, and in early May 1984 Pakistan was visited by the Japanese Premier (the first such visit in more than 20 years). In the course of the visits an agreement was reached whereby Japan would not only give Pakistan easy-term government loans and free aid, but would also grant assistance to the "Afghan refugees". Together with the "quota" for fiscal 1984 this brought Japanese aid to Pakistan to approximately \$80 million.<sup>9</sup> The Japanese government's decision to extend aid to the "Afghan refugees" announced by Prime Minister Nakasone during his visit to Pakistan, was accompanied by attacks on the USSR and its foreign policy. Commenting on the results of this visit, the Japanese press wrote that the actions of the country's leadership clearly pointed to Tokyo's enhanced role in Washington's anti-Soviet strategy which seeks to turn Pakistan into a strong-point in a confrontation with the USSR and its allies.<sup>10</sup>

The increase in activities within the military and political "triangle", Washington-Tokyo-Seoul, poses a threat to peace and security in the Asia-Pacific region. In recent years, ties between the US, Japan and South Korea have been increasingly turning into a tripartite alliance. This, under-

<sup>8</sup> See *Nihon keizai shimbun*, April 27, 1984 (evening issue).

<sup>9</sup> See *Japan Times*, May 2, 1984.

<sup>10</sup> See *Nihon keizai shimbun*, May 2, 1984.

standably, causes serious concern among the region's peace-loving forces. After the Reagan Administration took office in the United States and the Nakasone Cabinet had been formed in Japan, the two parties repeatedly discussed and took practical measures in relation to their joint support for the South Korean regime. Tokyo has substantially extended its obligations with regard to economic and other assistance to Seoul (as Washington desired) in order to enhance its military and economic potential. The Japanese Premier's visit to South Korea (the first ever in the history of Japanese-South Korean diplomatic relations) and the meeting between the two countries' leaders in January 1983 constituted an important step in that direction. During Nakasone's visit to Seoul the two parties agreed to "open up a new era of friendship and cooperation" and sealed it with a document under which Japan granted the Chun Doo Hwan regime easy-term loans to the tune of \$4 billion. Political analysts noted that in the postwar period Japan had never given economic aid to a foreign country in a huge "package", such as this one. This figure is especially impressive if compared with another one: Japanese aid to South Korea over the preceding period (i.e., between 1965, when the two countries established diplomatic relations, and 1982) totalled \$4.1 billion.<sup>11</sup>

Japan intends to continue the policy of selective economic aid to countries within the zone of both its own primary interests and the interests of the Western community, chiefly the United States. Japanese policy-makers regard this as an important component of their policy of strengthening Western solidarity and enhancing Japan's political prestige in the "Western community". During his tour of West European countries in 1983, Japan's Foreign Minister Shintaro Abe bluntly stated that his country was ready to render "indirect assistance" to NATO, citing as an example Japan's economic cooperation with Turkey.<sup>12</sup> During his talks with US Secretary of State George Shultz in January-February 1984 in Washington, Abe expressed Japan's readiness to expand its financial support for the pro-US reactionary regimes in Central America and the Caribbean.

A close analysis of Japanese economic aid to the developing countries clearly shows, however, that the desire to consolidate the Western bloc's influence within the "Third World" is not the only concern of Japanese economic policy-makers. They are equally interested in securing benefits for themselves by using the lever of aid to attain their own economic and political objectives. This is clearly revealed by an analysis of the structure of official Japanese aid for development. In most cases Japan's bilateral official aid to developing countries takes the form of easy-term loans, predominantly in yen, which ties the recipient country to the conditions prevailing in the Japanese market. In recent years easy-term loans have made up a somewhat smaller share of the aggregate volume of bilateral aid. Yet it still accounts for almost two-thirds of Japan's total official development aid.<sup>13</sup> A considerable portion of the money is for stimulating exports. Export credits, accounting for up to 20 per cent of the total volume of economic cooperation<sup>14</sup>, largely determine its commercial nature, which, on the whole, meets Japan's interests.

Confronted by ever increasing dissatisfaction with its commercial and economic expansion and the "quality" of its aid in a number of "Third World" countries, Japan has recently increased somewhat the absolute volume and share of free assistance in the form of loans to be used for buying commodities and foodstuffs, paying for technical assistance, etc. Yet Japan's free loans, like easy-term credits, have "strings attached" be-

<sup>11</sup> See *Asia Pacific Community*, Spring 1983, No. 20, p. 99.

<sup>12</sup> See *Sankei shimbun*, January 6, 1983.

<sup>13</sup> See *The Present Day Situation and Problems of Economic Cooperation*, 1982: p. 46.

<sup>14</sup> See *Look Japan*, March 10, 1983, p. 18.

cause they must be used to buy commodities in Japan. Even if these are purchased in other countries, they must be paid for with Japanese currency through Japanese firms.

Japan gives particular attention to technical cooperation with developing countries, which are themselves greatly interested in it. Government technical aid accounts for almost half of Japan's free assistance. In extending technical cooperation, Japan lays special emphasis on the "development of human resources", i. e. on training personnel from developing countries. Recent years have witnessed an increase in the number of trainees from "Third World" countries enrolled in Japan, and in the number of Japanese experts and consultants sent to developing countries. Behind this is Tokyo's wish to use the transfer of technology and the training of local personnel as an instrument for penetrating into the key industries of the recipient countries and securing a lasting position there. Technical assistance is normally given to speed up industrialisation in the developing world, and to drastically cut down on the time needed to develop and execute economic projects through the use of skilled labourers, specialists and imported technology. In reality, however, Japan usually limits its efforts to training medium- and low-level personnel (foremen, technicians, workers, etc.). They are primarily employed by mixed enterprises in order to raise the latter's efficiency.

Japan's governmental foreign aid agencies are constantly concerned with raising the political and economic returns on economic assistance to developing countries. All the money allocated within the framework of economic cooperation with developing countries has a clearly defined purpose. Decisions concerning such allocations are taken after a thorough examination of the proposed project. The mechanism currently used in Japan to evaluate and take decisions concerning specific economic cooperation projects is a consultative forum whose participants include high-ranking officials from the Economic Planning Department, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Industry, and the Ministry of Finance. The involvement of these four government bodies is believed to ensure that a comprehensive decision will be made because the Economic Planning Department gives its assessment of each project as the head office dealing with the planning and coordination of general policy and international cooperation programmes and the curator of the foreign economic cooperation fund, i. e., the body which controls the allocation of funds; the Ministry of Foreign Affairs assesses each project's potential political impact; the Ministry of Finance evaluates them from the standpoint of budgetary considerations and the country's overall financial situation, as well as on the basis of its foreign financial policy; and lastly, the Ministry of Foreign Trade and Industry is guided by the country's foreign trade and economic policies. In order to improve this decision-making mechanism, some adjustments were made in 1979. In accordance with these changes, representatives of ten ministries and departments (i. e., half of the Cabinet) may, if necessary, participate in the discussions concerning aid to developing countries. In addition to those mentioned above they include the Ministry of Education; the Ministry of Public Health and Social Welfare; the Ministry of Agriculture, Forestry and Fisheries; the Ministry of Transport, the Ministry of Post and Telecommunications; and the Ministry of Construction.<sup>15</sup>

Despite the country's tight financial situation and growing internal debt, its continuing heavy dependence of the state budget on deficit loans and the general policy of cutting government expenditures, an exception has been made in recent years for one item in the budget: "Economic Aid". Expenditures in the area of economic aid are growing faster than

<sup>15</sup> See *Look Japan*, May 10, 1983, p. 12.



those in other areas. This is because in January 1981 the Suzuki Cabinet announced its intention to double official aid for development between fiscal 1981 and 1985 in order to facilitate the solution of the North-South problem. Subsequently, this intention was confirmed by the Japanese at the summit meetings of the leading capitalist countries in 1981 in Ottawa and in 1982 at Versailles. Suzuki's statement has thus acquired the status of Japan's "international obligation". Officials in Tokyo have spared neither energy, nor money to publicise the promise, especially in the developing world.

In the past year or two, Japan has been confronted with serious problems which have made it more difficult for Tokyo to keep its promise. One such problem is the declining value of the Japanese yen in dollars. Despite the increase in government yen allocations for official development aid its dollar value has decreased over the past two years. Each year, Japan's Ministry of Foreign Affairs clashes with the Ministry of Finance over budget allocations for economic aid. Due to its active, aggressive stance the Ministry of Foreign Affairs always comes out on top. Economic aid allocations are growing, albeit insufficiently to reach the objective set three years ago. Japan's budget for fiscal 1984 set aside 528 billion yen for economic aid, which constituted a 9.7 per cent increase from the previous year.<sup>16</sup> This growth rate looks rather impressive when compared with the 1.5 per cent increase in total expenditure. Yet, in order to save face and keep its promise to double the volume of official aid for development by the end of 1985, Japan will have to increase its foreign aid by more than 20 per cent in the next fiscal year, which is unlikely even according to the most optimistic prognoses.

Seeking to prepare the Japanese and foreign public for the possible failure of its widely publicised action, Foreign Minister Abe mentioned the "difficulties" the government was having in keeping the promise of doubling economic aid when he addressed the Budget Commission of the upper chamber of Japanese Parliament. In view of the fact that over the last four years the growth rate of aid was actually lower than the projected rate, Abe admitted, that it would be "practically impossible" to achieve an increase of more than 20 per cent in the next fiscal year.<sup>17</sup> The Japanese press interpreted this as an official admission that "Suzuki's plan" was a fiasco. In view of this, commented the press, the developing countries' disillusionment with Japan's policies is inevitable, as is their growing mistrust in joint economic development projects. Knowing that a wave of criticism on the part of the "Third World" will have a negative political and propagandistic effect and wishing to have arguments which would prove that the Japanese government "had done everything in its power", it had decided, according to press reports, to increase its economic aid to developing countries by 10-15 per cent in the next fiscal year. This rate of growth exceeds the figures for other budget items. Political observers in Japan do not rule out the possibility that the government could resort to political manoeuvring and announce, when presenting a new budget, new goals in regards to its economic aid policy.<sup>18</sup>

Tokyo's desire to use the developing countries' interest in economic and technical cooperation with Japan in order to enhance its prestige in the West and to address forums of the leading Western countries as a spokesman for Asia and for the developing world at large was especially evident on the eve of the meeting of the "Big Seven" in London. In a bid to demonstrate that Japan was active in raising the "Third World's" most pressing problems at the meeting, in January 1984 Abe received groups of ambassadors from developing countries, arranging them on a "region-

<sup>16</sup> *Nihon keizai shimbun*, January 26, 1984.

<sup>17</sup> *Yomiuri*, March 1, 1984 (evening issue).

<sup>18</sup> *Yomiuri*, May 20, 1984.



al basis". Japanese political observers had every reason to believe that Premier Nakasone's tour of South and Southwest Asia in late April and early May 1984 (including visits to Pakistan and India) was also made with the London summit in mind. The press noted that apart from considerations related to bilateral Japanese-Pakistani and Japanese-Indian relations, Tokyo also had Pakistan's "strategic importance" and India's position as a leader of the nonaligned movement in mind. On the other hand, the Japanese leaders used the talks in Islamabad and New Delhi to probe the attitude of these two important representatives of the developing world towards Japanese plans to arrange for a new round of multilateral talks within the framework of the North-South dialogue.

The skillfully camouflaged neocolonialist policy of plunder and exploitation pursued by Japanese imperialism often bears fruit. Tokyo has launched an intensive ideological campaign in an attempt to convince the developing countries that not so long ago Japan was itself a developing nation and that the "Third World" can achieve economic success by assimilating the Japanese experience. Some developing countries, especially in Asia, are inclined to view Japan as a model for their own economic development. This is reflected in large-scale campaigns initiated in Malaysia and Pakistan, under such slogans as "Learn from Japan" and "Follow the Eastern Example". Japan's Ministry of Foreign Affairs views this reaction to economic cooperation as highly valuable from the standpoint of propaganda and politics. In its review of the present and future state of relations with the developing world in late 1983, the Ministry noted with satisfaction that Japan's aid to the 'Third World' has in general been a success.<sup>19</sup>

Japan's academic circles which are close to the country's leadership and which make recommendations concerning major domestic and foreign policy issues tend to regard economic aid as a key instrument for both consolidating Japan's position in the developing world and enhancing its international prestige. Practically all of the papers prepared recently by private and government research institutions stress the need to pay greater attention to economic aid which, as Japanese experts believe, is a cornerstone of the country's comprehensive security.

Noteworthy are the recommendations submitted by two major Japanese consultative bodies engaged in developing the concept of comprehensive security. One of them—the Policy Updating Society— (an influential forum for private business) believes that Japan's official development aid should be raised to 1 per cent of the country's GNP. In other words, it should be commensurate with the country's military spending, thus enabling Japan to become an "economic aid superpower". Thus, in the Society's opinion, would not only bring Japan tangible advantages by expanding its influence in the "Third World", but would also serve as ample proof of its contribution to the consolidation of the West's strategic positions by way of stabilising (through "aid" channels) friendly pro-Western regimes and hindering "communist infiltration".<sup>20</sup>

Somewhat less ambitious objectives (in view of the current financial situation in Japan) have been put forward in an interim report submitted in March 1984 by the Peace Research Society, a consultative body which presents its recommendations to the Prime Minister. It is headed by a political scientist, M. Kosaka, who is professor at Kyoto University. Among other things, the report recommends that official aid for development should be quickly raised to match the average allocation by the member-states of the OECD's Development Assistance Committee (from the current 0.29 per cent of the GNP to 0.39 per cent) and that every possible

<sup>19</sup> *Japan Times*, November 9, 1983.  
<sup>20</sup> *Far Eastern Economic Review*, June 19, 1983, p. 34-35.

effort should be made to achieve the objective set four years ago, i. e., to double the volume of official aid for development in the period between 1981 and 1985.<sup>21</sup> Despite the difference in figures, both reports display a similar approach to economic aid. By no means do they view it as a manifestation of disinterested readiness to help developing countries to overcome their industrial and agricultural backwardness and speed up their national development. Japan's ruling quarters view aid as an indispensable and important instrument of foreign policy, a tool for holding the countries of the "Third World" in neocolonial bondage, for plundering their natural resources and dragging them into the economic and political orbit of imperialism.

Sweeping social and economic changes in the developing countries have compelled the ruling quarters in Japan to make adjustments in the forms and methods of their expansion, to disguise it as equitable cooperation, to employ new methods for carrying out their policies, and to consider, albeit to a limited degree and on certain terms, the interests of the developing world. By exploiting the developing countries' understandable need for economic aid and technical assistance in tackling the urgent problems of economic development, their interest in increasing the influx of high technology and in learning effective methods of production management, Japan's state-monopoly capital is broadening its presence in developing countries and imposing on them the "Japanese economic model".

Simultaneously, Japan's role in global imperialist strategy vis-à-vis the developing world is growing. Tokyo is becoming increasingly involved in the imperialist countries' policy of collective neocolonialism, offering the appropriate political, economic and ideological assistance for consolidating the positions of world capitalism in its struggle against socialism and the national liberation movement. By augmenting its aid to those developing countries which are "strategically important" to the West, Japan is becoming ever more deeply involved in Washington's global anti-Soviet strategy, the strategy of "containing" the Soviet Union. Japan's policies towards the developing countries reveal with growing clarity the negative trends which threaten peace and security and expose Tokyo's general destructive course in international politics.

This expansionist, imperialist policy towards the newly-free countries is countered by the policy of the Soviet Union and other socialist states, which is based on equitable and mutually advantageous cooperation and genuine consideration of the vital interests of the peoples who have cast off the yoke of colonial dependence. This was reaffirmed at the economic summit of the CMEA countries, held in June 1984 in Moscow. The participating countries proposed a real programme of action to rebuild international economic relations on a just, democratic foundation, showing once again that the socialist community is a natural ally of all those who fight for an end to discrimination and exploitation, against the use of economic ties as a lever for political pressure and interference in the internal affairs of sovereign states.

In his speech at the March (1985) Plenum of the CPSU Central Committee, General Secretary of the CPSU Central Committee Mikhail Gorbachev stressed: "The Soviet Union supported the peoples' struggle for liberation from colonial oppression. Today, too, our sympathies are with the countries of Asia, Africa and Latin America which are following the path of strengthening independence and social renewal. For us, they are friends and partners in the struggle for a lasting peace, for better, just relations among peoples."

<sup>21</sup> See *Nihon keizai shimbun*, March 9, 1984

## PRC: REFORMS IN CAPITAL CONSTRUCTION

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 3, Jul-Sep 85 (signed to press 21 Aug 85) pp 71-81

[Article by L. V. Novoselova: "Reform in Capital Construction"]

[Text] The problem of normalizing capital construction has become acute in the PRC in recent years. In his report at the Second Session of the Sixth NPC [National People's Congress] (in May 1984), PRC State Council Premier Zhao Ziyang noted: "The economic results of capital construction have an important effect on the development of the economy in general. For many years capital construction has suffered from such factors as long construction cycles, the high cost of construction work, the tremendous waste of resources and technological stagnation. If this situation is not changed, all of this will have an extremely negative effect on large-scale economic construction."<sup>1</sup> In connection with this, great importance is being attached to the reform of capital construction, which, according to official statements by PRC leaders, is being called upon to play an important role in the general reform of the urban economic system.

The reform of capital construction, which has been going on for several years, has now most perceptibly affected such an important element of the PRC investment sphere as the system for the development and use of state capital investments. The foundation of this system was laid back in the 1950's, when enterprises deposited nearly all of their profits and most of their amortization fund in the central budget, and the state in turn formed the centralized national economic development fund on this basis and distributed it through state budget channels. The main features of the centralized system of financing capital construction remained unchanged until the end of the 1970's: Whereas budget allocations represented 91.6 percent of all state expenditures on capital construction in 1957, the figure was 83.2 percent in 1978.<sup>2</sup>

The main advantage of a centralized system of capital investment formation is the ability to mobilize huge economic resources and to maneuver them on the nationwide scale. This played a positive role in the years of the first five-year plan (1953-1957), allowing China to lay the basis for an integral industrial system in a short time. Later, however, the expansion of national production and its diversification, with the simultaneous growth of small local enterprises, made it significantly more difficult for central PRC organs

to effectively monitor the system of economic relationships in the country at all levels. In the 1960's and 1970's, the situation was aggravated even more by voluntary experiments in the economy and the underestimation of economic stimuli and means of control. The independence of state enterprises in the PRC in those years was minimal. (For example, the management of the Beijing Machine-Building Plan could spend up to 50 yuan on its own authority. Any expenditures exceeding this amount had to be approved by superior organizations.)<sup>3</sup>

As a result, state enterprises gradually lost interest in the effective use of resources allocated to them, and the size of state budget allocations, in turn, was not dependent on the results of enterprise economic activity. This was inconsistent with the main requirements of economic accountability and gave rise to the wholesale squandering of scarce material and financial resources. For example, in 1978, according to a sample survey of 45 large construction projects, 44 percent of all capital investments were spent inefficiently.<sup>4</sup> There was a dramatic increase in incomplete construction, which, in relation to annual capital investments, had risen from 63 percent in the years of the first five-year plan to 212 percent in 1976-77 because the average construction time for large and medium-sized national economic facilities rose from 6 to 11 years.<sup>5</sup> As a result, at the end of the 1970's, capital construction was severely disorganized and the effectiveness of capital investments had fallen to half the level of the first five-year plan.

It became necessary to reexamine the system of forming and using capital investments for the purpose of creating the kind of economic incentives which would promote the growth of material responsibility and the interest of enterprises and construction organizations in the purposeful and efficient use of state resources. In the final analysis, this will lead to the resolution of one of the main aspects of the problem of the optimal relationship between centralized and decentralized sources of development in China. "In economic construction," JINGJI YANJIU noted, "it is impossible to rely solely on state finances, especially on resources from the central budget. It is necessary to direct attention to the proper use of the resources of local organizations, enterprises and individuals and to understand the role of banks as sources of monetary resources."<sup>6</sup> In accordance with this, the marked decentralization of investment resources through the development of non-budget funds was established as the main guideline of the reform of state capital investment accumulation after the Third Plenum of the 11th CCP Central Committee (December 1978). These funds primarily consist of the enterprises' own resources and credit for capital construction.

In the middle of 1979, after the PRC State Council had adopted the "Regulations of Profit Distribution at State Enterprises," the latter were authorized to keep part of their profits for the creation of three main funds: a material incentive fund (30 percent of the profit retained), a fund for sociocultural undertakings (20 percent) and a production development fund (50 percent).<sup>7</sup> In 1982, 15 percent of all state enterprise profits were put toward the formation of the funds as opposed to 6.4 percent in 1979. As a result, their absolute size rose from 4.99 to 13.2 billion yuan and totaled an impressive 42 billion yuan in 1982.<sup>8</sup> In view of the fact that most of the production development



fund is spent on capital construction, as well as most of the fund for sociocultural undertakings (housing construction and the construction of facilities for sociocultural purposes), around 10 percent of the profits of PRC state enterprises are now used to finance capital expenditures. For example, capital investments financed by the state enterprises themselves totaled around 30 billion yuan in 1979-1983, or around 10 percent of all state expenditures on capital construction. Besides this, the funds of state establishments and departments, as well as the non-budget funds of local government agencies, totaling around 45 billion yuan in 1979-1983, were also used for capital construction.<sup>9</sup>

The enterprises' own funds have been used to secure quite extensive construction programs. In 1979-1983, for example, the Beijing Metallurgical Plant used 188 million yuan of its own to finance 42 projects in the technical renovation and improvement of production for the purpose of enhancing the quality and broadening the assortment of products, including the retooling, on a modern technical basis, of three open-hearth furnaces with a volume of 1,000 cubic meters each.<sup>10</sup>

In addition to the more active use of the personal resources of enterprises and departments, another important guideline in the augmentation of extra-budgetary funds in capital construction is the gradual transition from the budget financing of capital investments to their crediting by banks. After the "Provisional Rules for the Crediting of Capital Construction Projects" had been ratified by the PRC State Council (August 1979), the PRC Construction Bank began extending long-term (10-15 years) loans for new construction at 3 percent per annum on the average.<sup>11</sup> The People's Bank of China simultaneously began extending short-term and medium-term loans for small capital investments with a short recoupment period, primarily in light industry and the textile industry.<sup>12</sup>

Recent years have shown that such features of credit as immediacy and the need for repayment on schedule have served in several cases as a real incentive for the more purposeful and economical use of financial resources. The Chinese press has reported the experience of individual plants in chemical machine building, nonferrous metallurgy, the chemical industry and other industries which reduced the estimated cost of construction to from two-thirds to five-seventeenths of the previous cost after making the appropriate technical and economic calculations following the transition to the system of bank credit for capital investments.<sup>13</sup> The effectiveness of using credit resources in China was also noted. In particular, according to JINGJI YANJIU, the use of credit for the capital construction and technical remodeling of enterprises in Wuchuan district (Guangdong Province) for a total cost of 1.41 million yuan secured an increase of 11 million yuan in industrial output, with a simultaneous increase of 2.94 million yuan in profits and taxes paid to the state.<sup>14</sup>

The result of these measures was the relatively widespread use of credit in capital construction in a comparatively short time. Whereas in 1979 bank credit was used as an experiment for a limited number of light industry and textile industry projects in Shanghai and in Jilin and Henan provinces, within a year it had been extended to over 1,500 enterprises in 29 different branches



of the national economy in all 29 provinces, autonomous regions and cities of central jurisdiction.<sup>15</sup> In 1981 around 50 percent of all capital construction in such important sectors as electrical power engineering, metallurgy and the construction materials industry was financed by bank credit.<sup>16</sup> In general, from 1980 through 1983 credit accounted for around 10 percent of all state expenditures on capital construction, totaling 21 billion yuan in absolute terms.<sup>17</sup>

Therefore, in the late 1970's and early 1980's there was a clear tendency toward an increase in the relative amount of extrabudgetary capital investments.

Table 1

State Capital Investments in PRC National Economy (billions of yuan)

Capital investments	1978	1980	1982	1983
Total	66.8	74.6	84.5	95.2
In remodeling	16.8	18.7	29.0	35.8
In capital construction	50.0	55.9	55.5	59.4
State budget	41.2	34.9	27.7	34.6
Extrabudgetary	8.3	21.0	27.8	24.8
Personal resources of enterprises and departments	--	16.3	18.1	16.6
Bank credit	--	4.1	7.3	5.4
Other	--	0.6	2.4	2.8

Sources: Calculated according to data in "Zhongguo jingji nianjian--1983," Beijing, 1983, p III-84; "Zhongguo tongji nianjian--1984," Beijing, 1984, p 301; RENMIN RIBAO, 30 April 1984.

As the data in Table 1 indicate, between 1978 and the end of 1983 the rapid growth of extrabudgetary funds (threefold) and the simultaneous reduction in budget allocations for capital construction (17 percent) led to a perceptible decrease in the relative share of the state budget in the formation of capital investments--from 83.2 percent to 58.2 percent of all expenditures on new construction.

The decentralization of capital investment sources was accompanied by the contraction of the sphere of the centralized distribution of material and technical resources. In 1982 the relative share of centralized material and technical supplies in total deliveries for construction projects was only 53 percent in the case of rolled steel, 57 percent for wood and 24 percent for cement.<sup>18</sup> All of this was intended to stop the decline of the effectiveness of capital construction by stimulating the economic initiative of local authorities and individual enterprises.

The consequences of the measures implemented, however, were far from the desired goals. In spite of all the state's efforts to reduce the scales of capital construction efficiently (in particular, around 6,000 construction

projects were "frozen" in 1979-1981), the number of projects increased by 10,000-11,000 annually in 1982-1983.<sup>19</sup> The main reason for this situation was that provincial and district authorities and the individual enterprises with greater latitude in the use of their own resources were dramatically augmenting capital construction.

Provincial and district authorities are trying to solve an entire series of problems by cultivating a tremendous number of small and poorly equipped enterprises duplicating one another's operations. These problems include the need to satisfy their own demand for scarce raw materials, semimanufactured products and equipment, to broaden their own accumulation base and, finally, to create new jobs to secure the employment of the constantly growing surplus labor force. The problem of the national economic effectiveness of capital construction is being relegated to a position of secondary importance. Under these conditions, the diverging economic interests of the state, local authorities and individual enterprises in the PRC became especially apparent.

For example, four metallurgical plants of various sizes, belonging to provincial, municipal or district authorities, were built within a radius of 20 kilometers on the outskirts of Jinan (Shandong Province). Competing with one another for scarce raw materials, all four facilities were unable to achieve projected capacity and are operating at a loss.<sup>20</sup> Here is another example: Whereas in 1979 there were around 1,500 state enterprises in the PRC alcoholic beverage industry, producing 3.5 million tons of alcoholic beverages and almost completely satisfying PRC domestic demand, within a year the number had increased ninefold after another 12,000 facilities of this kind were built in 17 provinces and autonomous regions.<sup>21</sup> The situation was the same in the knitwear, cotton fabric, silk and several other industries in the PRC. In view of the fact that China has a great variety of channels for the receipt of extrabudgetary funds in the investment sphere, the ability of the state to control the scales of local capital construction was quite limited. This led to the even greater dissipation of financial, material and technical resources than before and intensified the problem of chronic shortages.

It is indicative that 1982 marked the culminating point, when extrabudgetary funds accounted for the highest percentage of capital investments (50.2 percent) in PRC history. As a result, allocations for capital construction exceeded the planned level by 2-4 times in 8 provinces and autonomous regions. The annual plan for investments in new construction on the national level was exceeded by 11 billion yuan, including 8.9 billion in various extrabudgetary resources. One direct result of this process was the dramatic increase in the demand for several major construction materials: Although expenditures on capital construction increased by 25 percent, the output of rolled steel increased by only 8.6 percent, the cement output increased 13.5 percent, and the output of wood even decreased 11.7 percent.<sup>22</sup>

This resulted in the serious deterioration of the material basis of financial allocations. In particular, the supply of cement for each million yuan of capital investment was reduced by almost 20 percent, and the shortage of steel pipe and common rolled steel became much more acute, giving rise to the need for a substantial increase in imports.<sup>23</sup> This was also the reason for

another unfavorable development, the spontaneous rise in the prices of many energy resources and construction materials. In some cases, enterprises arbitrarily raised the prices of steel structures by 30 percent, of cement by 35 percent and of wood by even 200 percent.<sup>24</sup> It is not surprising that the estimated construction costs of 46 priority projects had already been exceeded by 8.4 billion yuan in 1983, representing 40 percent of all initial estimated expenditures on their construction.<sup>25</sup>

Under the conditions of the poor monitoring of investment development by the state, the shortage of the main construction materials will have a negative effect on the most important construction projects. In 1983, according to a survey conducted by the PRC State Council, 70 priority projects throughout the country were experiencing a shortage of wood, metal and cement. For this reason, the state not only had to import one-third of the rolled steel needed to secure budget allocations for capital construction, but also to buy 23 million tons of coal and 4 million tons of cement from local authorities for a total sum of 600 million yuan.<sup>26</sup> In spite of all this, by the beginning of 1984 almost one-third of all the large and medium-sized priority projects fell into the category of incomplete construction.

Furthermore, the possibility of a significant improvement in the situation with regard to the rapid completion of projects of national economic significance seems quite limited. In particular, by the end of 1984 a shortage of a thousand tons of steel fittings had been recorded on the construction site of China's largest hydroelectric power plant, the Gezhouba Plant, and this could delay the completion of this important project of the sixth five-year plan (1981-1985) by at least a year. State financial losses could total 100 million yuan as a result of this.<sup>27</sup>

In general, the attempts to decentralize the system for the formation and use of capital investments in the PRC, according to JINGJI RIBAO, created chaos in capital construction, a situation in which "unplanned projects are displacing planned ones, local projects are displacing projects of statewide significance and ordinary projects are displacing priority ones."<sup>28</sup> In several cases, according to reports in the Chinese press, even the plots of land allocated by the state for priority projects have been used by provincial authorities in their own interest. The relationship of new fixed capital to capital investments in 1983 was only 76.3 percent as compared to 86.6 percent in 1981.<sup>29</sup> This signifies the continued absolute and relative growth of unfinished construction, which will prevent the actual resolution of the problems in the effectiveness of capital construction in the PRC.

Substantial problems in the sectorial distribution of capital expenditures have not been solved either. Above all, it is significant that after local authorities and individual enterprises had accumulated financial resources by building their own profitable light industry facilities at the turn of the decade, they began active construction in the non-production sphere. Investments in these construction projects in 1982 and 1983 represented 43.6 percent of all expenditures on capital construction, as compared to 20.9 percent in 1978, and the proportion accounted for by expenditures on housing construction rose from 7.8 percent to 23.2 percent.<sup>30</sup>

This dramatic increase in funds invested in the non-production sphere has severely limited construction possibilities in branches of physical production. In particular, relative expenditures on capital construction in industry decreased to 47.3 percent of all state capital investments in 1982-1983, as compared to 54.5 percent in 1978 and the projected 52.3 percent for the sixth five-year plan. Plan indicators were violated in transport construction, representing one of the priorities of capital investment policy. Proportional investments in transport construction in 1982-1983 were 11.7 percent instead of the planned 13 percent, including only 5.9 percent in railway construction instead of the planned 7.5 percent of all expenditures on capital construction in the national economy.<sup>31</sup> Therefore, important intersectorial proportions in capital investment patterns have been distorted since the beginning of the sixth five-year plan.

The intrasectorial proportions of Chinese industrial development were also disrupted. The unsystematic growth of decentralized capital investments resulted in the undesirable diversion of resources from the construction of capital-intensive fuel and energy facilities to more profitable small local enterprises in the processing industry. The fuel and energy industry's share of state expenditures on capital construction fell to 19.9 percent in 1982-1983 as compared to 20.6 percent in 1980-1981 and the projected 25.5 percent for the sixth five-year plan.<sup>32</sup> All of this intensified disparities in PRC industrial production. The average annual rate of increase in the gross industrial product in 1983-1984 was 12.3 percent, and the output of electricity increased by only 6.9 percent.<sup>33</sup> As a result, PRC industry is still developing primarily through the efforts of small enterprises, which do not always use electrical power and use cottage-industry and semicottage-industry methods to produce primitive and labor-intensive items. As for the more modern industrial enterprises which are supposed to promote the modernization of the PRC economy, many of them, according to the Chinese press, have been unable to operate even after start-up as a result of the shortage of raw materials and energy.

Under these conditions, the Chinese leadership has had to limit the role of extrabudgetary sources in the financing of capital investments, employing a broad group of administrative-organizational and financial-economic measures. The first group includes measures to organize state control over sources of extrabudgetary funds and the areas of their use. For example, according to the "Provisional Rules of Control over Extrabudgetary Funds," approved by the PRC Ministry of Finance in February 1983, extrabudgetary funds earmarked for capital construction and technical remodeling will henceforth be included in state capital investment plans. A procedure has been established for the compulsory deposit of extrabudgetary funds in a PRC Construction Bank account. In 1984 the possibility of using extrabudgetary funds for the financing of capital investments was limited to the amount deposited in the bank prior to 1 July of the current year.

In addition to administrative measures, a series of economic measures will be taken to limit unplanned construction and create additional resources to finance the main national economic projects. In July 1983, for example, the rate of deposits from total annual additions to extrabudgetary funds in the special centralized "fund for the most important construction projects in



power engineering and transportation" was raised from 10 to 15 percent.<sup>34</sup> Between 1983 and the end of 1985 the amount of this fund is to be increased to 20 billion yuan, with up to 90 percent of this sum accounted for by deductions from extrabudgetary sources, including bank credit, as well as the personal resources of enterprises and departments. Besides this, a construction tax in the amount of 10 percent of total capital investments was instituted in the PRC on 1 October 1983. It is levied on all construction and remodeling projects financed by extrabudgetary sources, excluding projects in power engineering, transportation, education and public health, as well as enterprises with a mixture of Chinese and foreign capital investments and projects financed with the aid of foreign state loans and credit from international financial organizations.

The measures taken by the PRC leadership were therefore intended to strengthen centralized management in the sphere of capital construction. It appears, however, that this is less a return to the prevailing system of rigid centralization of previous years than an attempt to eliminate the excessive decentralization of sources of development engendered by the reform of the capital investment system since the end of the 1970's. Whereas in 1978 the share of national income distributed through the PRC state budget amounted to 37.1 percent, the figure dropped to 25.9 percent in 1982, although the optimal figure, according to Chinese economists, is 28-30 percent.<sup>35</sup> This testifies that measures to centralize economic resources will remain pertinent in the near future.

This is not only an obvious attempt to concentrate abundant material, technical and financial resources in the hands of the state for the most important construction projects in priority sectors of the economy, but also a special effort to encourage individual enterprises and local authorities to use the funds at their disposal more efficiently from the statewide standpoint. According to Vice-President Liu Guoguang of the Chinese Academy of Social Sciences, "now that local authorities and enterprises have been granted more financial resources and economic independence, the main thing is their correct use."<sup>36</sup> Recent steps by the PRC leadership within the framework of capital construction reform should be examined precisely in this context, steps such as the more extensive bank crediting of capital investments, the employment of various forms of economic liability in the investment sphere and the further augmentation of the rights of enterprises in intraorganizational construction.

In his report at the Second Session of the Sixth NPC, Premier Zhao Ziyang of the PRC State Council remarked: "The reform in capital construction should concentrate on reducing the duration and cost of construction projects, improving the quality of work and enhancing the impact of capital investments. The institution of a system of liability in the use of capital investments and a system of competitive bidding is the key to the attainment of these goals."<sup>37</sup> Plans call for the creation of a system of economic relations in capital construction in which the client announces an open competition for the construction of a facility and has a chance to choose a construction organization with the best indicators as a partner, and in which contracting construction organizations are transferred to full economic accountability and take on all the responsibility of using the approved amount of capital investments.



The funds saved as a result of the reduction of construction time should be turned over to the contracting organizations, and a shortage of funds resulting from costs exceeding the estimated cost and delays in the construction work should be covered by bank credit, which will be repaid with the contractor's own funds. The wages of construction workers are to be calculated in proportion to each 100 yuan of completed construction work.<sup>38</sup>

In the nature of an experiment, just the first steps have been taken in instituting a system of liability in capital construction. In particular, a system of liability for the observance of the estimated construction cost was instituted on half of the 123 main construction sites in 1984. The practice of announcing an open competition for the best design was used in 4,200 construction projects.<sup>39</sup> The method of establishing wages in proportion to each 100 yuan of completed work is being used in more than 70 percent of the construction organizations in the country on the average. More than a thousand project planning organizations have transferred from the system of non-refundable budget financing to operation by the terms of an economic contract.

The first results of these measures, as the Chinese press reported, warrant attention. In 1984, for example, labor productivity in construction organizations using certain elements of the system of production liability rose 13.5 percent, with the duration of construction decreasing by 20 percent and the cost of construction decreasing by 6-8 percent.<sup>40</sup>

The new course in domestic economic construction, making it possible to reduce the duplication of construction projects in local areas and to reduce irrational expenditures by the development of direct cooperation on the levels of provinces, districts and even individual enterprises, is now an important direction in investment activity. The resolution of the Third Plenum of the 12th CCP Central Committee (October 1984) on reforms in the PRC economic system says: "We must break down barriers and open doors in the relationship between the economically more developed and less developed regions, coastal regions and internal border regions, cities and villages and between all branches and enterprises."<sup>41</sup> On this basis, there is emphasis on the development of such forms of joint activity as the creation of joint enterprises, the construction of facilities on a compensatory basis and the use of various forms of technology transfer.

In many PRC provinces and regions, special organizations were established to accomplish the economic and technical interaction with a view to the new guidelines of domestic economic construction. In 1983 and 1984, 25,600 various types of joint projects were completed, or 4.2 times as many as in 1981 and 1982. The amount invested in cooperative and exchange operations by the terms of agreements signed just in 1983 was 4.9 billion yuan, or 5 percent of the total capital invested in the PRC national economy.<sup>42</sup>

Shanghai, where more than 200 compensatory agreements were carried out at the beginning of 1984 for a sum of more than 260 million yuan, illustrates the nature of this kind of relationship. As a rule, Shanghai supplies other cities and provinces with financial resources and equipment or trains local manpower

and they then repay Shanghai by delivering more than 40 kinds of industrial raw materials and semimanufactured goods, including coal, aluminum, cement, cast iron and others, to the city's industrial enterprises.<sup>43</sup>

At the present time, there is not enough accumulated experience or documented information for a balanced assessment of the effects of the Chinese leadership's measures on capital construction. Even today, however, despite the seemingly intelligent content of these measures, their obvious contradictions are also striking. In particular, in addition to limiting extrabudgetary funds, including the resources of enterprises and local authorities, the need for broader economic independence is still being stressed in the PRC, to the point of authorizing--as of 1985--provincial authorities and sectorial ministries to approve capital construction plans for a sum of up to 30 million yuan without the approval of the central authorities (the figure was previously 10 million yuan).<sup>44</sup> Therefore, judging by all indications, there is still no unanimous opinion in the PRC on the future development of the investment sphere. After all, there is the realistic fear that the broader independence of enterprises will inevitably be linked to the development of decentralized sources of accumulation, which, as past experience has shown, contain dangerous elements of spontaneity and do not lend themselves well to state control.

In addition, the conditions in which the Chinese economy is developing force one to doubt the applicability of several important provisions of the reform to the huge group of small, backward and often unprofitable enterprises and construction organizations in the PRC. Under these conditions, even steps which are essentially intended to stimulate the higher effectiveness of capital investment often lead to the opposite results. For example, according to data from Jilin Province, 15 percent of the total credit resources made available for capital construction and technical remodeling is not being repaid by the borrower-enterprises and has actually become an additional free allocation, contributing to further strain in the construction sphere and increasing the amount of incomplete construction.<sup>45</sup>

The chronic shortage of skilled labor in the PRC construction industry is an equally acute problem in the extensive institution of the reform. Engineering and technical personnel represent only 2.6 percent of all manpower in construction, and scientific personnel represent only 0.003 percent of all those employed in capital construction.<sup>46</sup> Under these conditions, the efforts to increase the independence of economic units and organize cooperation between them in forms which are complex and are fundamentally new to the PRC, could lead to numerous incompetent decisions, and this could cause the continued dissipation of scarce economic resources.

Finally, the idea of encouraging free competition between enterprises, construction organizations and project planning organizations, an idea organically linked with many measures of the reform, warrants special attention. In China, where the problem of finding jobs for the population is already quite acute, all of this could give rise to new social difficulties.

In general, considering the difficulties which are already apparent in this first stage of the reorganization of the construction industry, the reform of

capital construction in the PRC could be an extremely complicated and lengthy process. Much will depend on the effectiveness of reform in other spheres of the national economy and on the general state of the Chinese economy.

#### FOOTNOTES

1. RENMIN RIBAO, 2 June 1984.
2. Calculated according to data in "Zhongguo tongji nianjian--1984," Beijing, 1984, p 301.
3. Yu Guangyuan (ed.), "China's Social Modernization," Beijing, 1984, p 87.
4. JINGJI YANJIU, 1980, No 6, p 26.
5. Ibid., 1982, No 1, p 49; RENMIN RIBAO, 17 March 1980.
6. JINGJI YANJIU, 1981, No 11, p 16.
7. RENMIN RIBAO, 20 September 1984.
8. JINGJI RIBAO, 16 April 1983.
9. Calculated according to data in RENMIN RIBAO, 30 April 1984; "Zhongguo jingji nianjian--1983," Beijing, 1983, p III-82.
10. CHINA DAILY, 7 February 1984.
11. "Zhongguo jingji nianjian--1981," Beijing, 1981, p II-138. When repayment schedules are violated, interest rates are doubled.
12. "Zhongguo jingji nianjian--1981," p IV-157; "Zhongguo: Shehueizhuyi jingjidi fazhan," Beijing, 1983, p 106.
13. RENMIN RIBAO, 6 October 1980.
14. JINGJI YANJIU. 1981, No 8, p 28.
15. RENMIN RIBAO, 6 October 1980.
16. Ibid., 23 September 1981.
17. Calculated according to data in "Zhongguo jingji nianjian--1983," Beijing, 1983, p III-82; RENMIN RIBAO, 30 April 1984.
18. RENMIN RIBAO, 21 July 1983.
19. Ibid., 30 April 1984.
20. Yu Guangyuan, Op. cit., pp 93-94.

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22. RENMIN RIBAO, 28 March 1983.
23. JINGJI RIBAO, 3 March 1983.
24. BEIJING REVIEW, 25 July 1983, p 6.
25. Including 7 of the 8 construction projects in the coal industry which exceeding the estimated cost by an average of 55.6 percent, and 13 electric power plant construction projects which exceeded it by 57.6 percent (RENMIN RIBAO, 3 July 1983).
26. HONGQI, 1983, No 17, p 16.
27. CHINA DAILY, 28 December 1984.
28. JINGJI RIBAO, 31 January 1983.
29. "Zhongguo jingji nianjian--1984," Beijing, 1984, p IV-32.
30. Calculated according to data in "Zhongguo tongji zhaiyao--1983," Beijing, 1983, p 61; RENMIN RIBAO, 30 April 1984.
31. "Zhongguo tongji nianjian--1984," p 314.
32. RENMIN RIBAO, 13 December 1982; 30 April 1983.
33. Ibid., 3 June 1984; 10 March 1985.
34. JINGJI RIBAO, 25 October 1983.
35. Calculated according to data in "Zhongguo tongji nianjian--1983," Beijing, 1983, pp 33, 445; RENMIN RIBAO, 30 and 3 June 1984.
36. Quoted in: Yu Guangyuan, Op. cit., p 135.
37. RENMIN RIBAO, 2 June 1984.
38. Ibid.
39. Ibid., 10 April 1985.
40. Ibid., 25 October 1984; CHINA DAILY, 8 January 1985.
41. RENMIN RIBAO, 22 October 1984.
42. RENMIN RIBAO, 30 April 1984; BEIJING REVIEW, 22 October 1984, p 10; 11 March 1985, p 16.
43. CHINA DAILY, 23 February 1984.

44. JINGJI RIBAO, 10 October 1984.

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46. RENMIN RIBAO, 20 March 1981.

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12747

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## DEVELOPMENT OF PRC DOMESTIC TRADE

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 3, Jul-Sep 85 (signed to press 21 Aug 85) pp 82-86

[Article by B. K. Chizhov: "New Tendencies in the Development of Internal Trade"]

[Text] Among the branches of the Chinese people's economy that have begun the reforms at the beginning of the 1980's is internal trade. The reason for this is that there are serious disproportions which appeared in the sphere of distribution, supply and demand. At that time the national leadership analyzed the situation in the internal market over the past few years, particularly the position in the area of supply and demand and the operation of procurement and sales enterprises, and also reviewed several theoretical questions, such as, for instance, "goods and prices," "the law of value" and "accumulation and profit" under the conditions of the socialist method of production. The result of this work made it necessary to strictly and fully introduce the principles of distribution according to labor and actively use an incentive form of labor payment, the law of value and cost accounting.

The reforms in internal trade are directly connected with the course to "revitalize" the Chinese economy as a whole. The basic principle is: "A planned economy is primary and market regulation is secondary." However, as has been recently noted in the Chinese press, the situation has turned out so that during the reform process the sphere of the centralized, planned economy is being significantly narrowed and the sphere of market regulation is getting considerably broader. Some in the country have even advocated a market economy which, of course, cannot help but cause damage to a planned economy.

In 1983, the retail network had more than 6.5 million shops. Products were sold in various ways.

One of the most important problems in the PRC internal market, which is attracting the attention of the leadership and the press, is the lack of effectiveness in reorganizing state and cooperative retail sales to solve the problem of satisfying the growing demands of the rural population, the buying power of which is growing steadily. These conditions are being actively used by individual and collective merchants, as the Chinese press calls the small individual merchants who function individually or jointly in

collectives. The portion of state and cooperative sales in the retail sales turnover in the country for 1983 was more than 72 percent, collective--16.6 percent, and individuals--6.5 percent. The journal JINGJI YANJIU wrote with anxiety that individual merchants have practically taken into their own hands the sale of many goods in the markets of certain rural areas.<sup>1</sup> To be sure, recently state and cooperative trade has mobilized commercial resources for the broadened delivery of consumer goods to the rural population.

At the same time, during the reorganization of the operation of the trade network in PRC internal trade, the question has arisen about whether or not state trade, supply and sales cooperatives will be able to perform the role of the main channel of trade in the next few years. Actually, the demands of the Chinese rural area, which up to 800 million people live, have grown sharply, and the buying power of the rural population is growing. According to PRC statistical data, in 1982 the monetary income of peasants (at current value) increased by 83.7 percent in comparison with 1978. At the end of 1982 the monetary sum which the peasants were able to dispose of, by value, was 64.6 percent of the total monetary sum in the market.<sup>2</sup> Retail sales turnover in rural areas is growing quickly. Demands in rural areas for industrial goods in the last few years have not been fully satisfied. As reported by the Chinese press, there is primarily a scarcity of such goods as chemical fertilizers, diesel fuel, small tractors, construction materials, bicycles, mixed feeds and certain types of small household goods.<sup>3</sup> A scarcity of these types of goods is mainly explained by the fact that production is lagging and also that the conditions of the markets in the country's various regions have not been studied carefully enough.

Without question, the task of balancing markets has become an important task. As emphasized by the PRC press, the planned balancing of markets is a requirement for the regularity of socialist economic development. Throughout the period after the formation of the PRC, there were repeated difficulties in this area, which mainly were connected with a scarcity of goods and also, to a large degree, to the small assortment of consumer goods. As noted in the journal JINGJI WENTI, throughout the period after the PRC was formed, supply, demand and purchasing power were balanced in overall complexity only for a period of approximately 12 years.<sup>4</sup>

Chinese economists explain this, in part, by the fact that over recent years the leadership in the country carried out a course of accelerating the industrial production development tempo without concern for market demands and without sufficiently evaluating the role of agriculture, the significance of the capacious rural market and the role of commerce in general. The point of view which dominated among the Chinese theorists was that the excess of demand over supply would cause an unavoidably tendency toward the development of the socialist economy and that the growth of purchasing power would always outstrip the growth of production. Therefore, when the supply of goods did not meet the demand, this was not taken as a violation of proportionality between supply and demand.<sup>5</sup>

In studying the reasons for the chronic unbalanced market in past years, PRC economists point to excessive centralization in the economy as an important

reason for the disproportion between supply and demand. The state plan, in determining the indicators for many types of industrial production, hardly ever considered the market situation. Inasmuch as production was bought and sold by the retail network in a centralized manner, this led to the fact that enterprises only concerned themselves with "production" indicators and not market demands. There was large-scale overstocking.<sup>6</sup>

Now in the PRC there is a search for a way to increase the profitability of products by considering market demand. One way is to allow enterprises direct access to the market and from this the direct dependence of their profitability on the products sold.

The economic reforms having begun, as is known, first in the villages, led to the growth of production, the revival of rural markets and the development of internal commerce on a new basis. Industry and trade have begun to be converted to cost accounting, which will provide for a complete shift from a system of deduction from profits to a tax system (which was already announced at the beginning of 1984), as well as the coordination of the activity between the branches with consideration for public demand.

Such an arrangement, which has been given much attention by the Chinese press,<sup>7</sup> was a significant impulse for internal trade development. It was necessary "to create a new system of commerce in China," as it was formulated in 1978 by the resolution of the Third Plenum of the 11th CCP Central Committee. The plenum emphasized, in particular, that a socialist economy is a planned economy where there is the production and trade of goods. This principle was stated at the plenum: "A planned economy is the main thing, and market control is secondary." Thus, it was stated that the old system of commerce had not fulfilled the requirements of economic development in the country.

It became necessary to carry out reforms directly in the internal trade system. The main idea for reform was formulated in October 1982 at the All-China Conference of Trade Workers. Its essence was the creation of two parallel systems of trade--the state and cooperative trade sector as well as the individual and collective merchant market, with the leading role going to the state sector, as has already been mentioned.

Evaluating the internal trade conditions at the new stage, the Chinese press stated that the development of a market regulation system for goods distribution may take on a spontaneous nature, which would be damaging to state planned commerce. In an article by Minister of Internal Trade Liu Yi, "Setting Up a New System of Goods Circulation in Our Country," which appeared in the journal HONGQI, it was noted that, under the conditions of the parallel existence of state, cooperative and individual management, the determination of the leading role for state trade is the decisive condition for the sphere of trade to have a socialist direction, for only on the basis of state trade may harmonious and balanced development of the various branches of the economy be supported and stimulated. The author said directly that only under this condition will it be possible to avoid activity by market elements which could be destructive to the national economy.<sup>8</sup>

The reform suggests that the leading role of state trade will be expressed in the strengthening of the planned regulation in the realization of goods which have a vitally important significance for maintaining the people's welfare, because this regulation is extended to various forms of cooperative and individual (or private) commerce. The state holds in its hands the wholesale trade network, thereby guaranteeing the maintenance of the main requirements for social production and the population. It is recommended that state trade enterprises and supply and sales cooperatives take an active part in market competition, control supply and demand in the market by using contract buying and selling and support stable prices. The reform of supply and sales cooperatives is aimed at becoming genuinely mass-scale and operates "on the principles of the collective ability of the peasant masses" and flexibly considers the interests of the collective masses.

Reforms in internal trade in the PRC provide markets not only for such basic forms of trade as state, cooperative and individual, but also in associations of trade enterprises, associations of industrial and sales, agriculture and sales and so forth. These associations may have the nature of state or collective enterprises as well as mixed--state with collective or with individual enterprises, collective enterprises with individuals and associations of individual enterprises. The Chinese press considers these associations more flexible; their appearance seems to pull apart the framework of the multiple-structure form of trade, revives markets and causes acceleration in commercial activity.

Reform makes it possible to develop what is known as multiple-channel trade. In the opinion of Chinese economists, it does not oppose the requirements of the planned economy, inasmuch as the state trade in the framework of a single socialist market is the main channel of goods circulation.<sup>9</sup>

State trade enterprises are being allowed more independence and are getting credit (in the past there was a system of subsidies), and workers are being converted to piecework payment, participation in profits and so forth. There has been a reduction in the required planned goals for sales enterprises. Sales enterprises obtain the right to freely buy goods (that is, not on a required contract basis) at various wholesale bases. Large department stores and specialty stores are given the capability to buy goods independently with consideration for traditional connections. Sales enterprises obtained the right to conduct negotiations with enterprises and producers for purchases on the basis of freely formed or "floating" prices.

At the present time the financial rights of trade enterprises have been broadened. The state gives the trade enterprises specific amounts of monetary resources which they may freely distribute; an increase in the proportion of profit obtained in the distribution of the enterprises has been allowed and within its province also remains the sum of amortized deductions for fixed capital. Enterprises may freely distribute these resources within the limits of the plan and within the limits of prescribed commercial activity.

The reform put workers in the trade sphere in a position of direct dependence on the results of economic activity. A bonus fund has been set up depending



on the total sum of wages earned and the sum of profits in excess of the plan. The type of wages is determined depending on the enterprise; either piecework or the sharing of profits in excess of the plan. Certain other variations are also possible. State monitoring of enterprise activity is done directly by financial and political levers and credit. Enterprises are given monetary resources for approved management goals and are also allowed bank credits at differentiated interest rates.

The reform of state planned trade is directed toward solving two problems: the reorganization of trade on a territorial basis--that is, in economic zones, which is a more efficient form of organization and is determined by going back to initial experience. The second task is to better study the economic rules of trade to accelerate its development. The task is to create an all-inclusive network for a revived exchange of goods between urban and rural areas and between various economic regions in the country. As soon as there is a reduction in the variety and volume of products in agriculture and similar sectors purchased in a centralized manner, the sphere of free buying and selling will broaden.

In 1984, according to Chinese statistics, sales turnover in internal trade, in comparison with the previous year, grew by 17.8 percent and subtracting a price increase factor--to 14.6 percent--was 335.7 billion yuan.<sup>10</sup>

In the PRC, specific steps have also been taken to reorganize the pricing of goods, which is, in the opinion of Chinese economists, one of the most important tasks in economic reform. Premier Zhao Ziyang stressed the need for these measures in his speech at the Third Session of the Sixth NPC in Beijing this spring. First of all, there is the task of overcoming the break between sale and purchase prices for agriculture and auxiliary enterprises.

This May it was announced that there would be another increase the market prices of food products during this reorganization of the pricing system. The price increase pertained to many types of meat and certain other produce. However, the prices on such basic products as grain and vegetable oil are staying the same. In order to soften the conversion to the new prices, the government announced subsidies for the people. The reorganization of the pricing system is being accomplished with consideration for the effects of the law of value and is intended to stimulate production development.

In its speeches, the Chinese leadership has stressed the need for further reforms in the trade system with consideration for the overall situation. As Premier Zhao Ziyang noted in his report to the Second Session of the Sixth NPC (May 1984), "when the development of commercial production is accompanied by the manufacture of ever-increasing quantities of the majority of agricultural and industrial products, there will be a new problem--the problem of broadening the market and increasing sales. If the system is not reformed in accordance with the demands of the new situation, then it would hardly be able to overcome the difficulties in sales and purchasing, which, to a known degree, are now arising in the country and cities, and the further development of national production will then encounter serious difficulties."<sup>11</sup>



FOOTNOTES

1. JINGJI YANJIU, 1984, No 3.
2. Ibid.
3. Ibid.
4. Shao Tingjun and Chi Bingyi, "Research into the Question of Balancing the Market," JINGJI WENTI, 1982, No 5.
5. JINGJI YANJIU, 1982, No 5.
6. Ibid.
7. RENMIN RIBAO, 9 April 1984.
8. HONGQI, 1983, No 8.
9. Ibid.
10. RENMIN RIBAO, 10 March 1985.
11. Ibid., 2 June 1984.

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12747

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## RESULTS OF THIRD SESSION OF CHINA'S SIXTH CONGRESS SUMMED UP

Moscow FAR EASTERN AFFAIRS in English No 4, Oct-Dec 85 pp 78-84

[Article by G. A. Alekseyev: "The Results of the Third Session of the Sixth Chinese National People's Congress"]

The 3rd session of the 6th National People's Congress (NPC), the highest body of state power in the PRC, took place in Peking between March 27 and April 10, 1985.

The session heard reports on the work of the government by Premier of the PRC State Council Zhao Ziyang, a report on the draft plan of economic and social development for 1985 by Chairman of the PRC State Planning Committee Sung Ping, a report on the execution of the 1984 state budget and on the state budget for 1985 by Finance Minister Wang Bingqian, a report on the work of the NPC Standing Committee by the Committee's Deputy Chairman Chen Pixian, and reports on the work of the Supreme People's Court and the Supreme People's Office of Public Prosecution. The reports were approved and relevant resolutions were adopted.

The session endorsed the joint declaration of the PRC and UK governments on Xianggang (Hong Kong) and set up a commission to draft the fundamental law of the Special Administrative Region of Xianggang (Hong Kong). It also approved the decision to grant the PRC State Council the powers to work out the provisional norms and rules needed to carry out the economic reform and expand foreign ties, as well as the draft of an inheritance law.

The speakers and those who took part in the debate focused on the internal political situation that had taken shape in the wake of the current national economic reform in town and in countryside. As is well known, between 1979 and 1984, the reform which was conducted as an experiment in the cities, was being actively executed in the countryside. In October 1984, the 3rd Plenary Meeting of the CPC Central Committee (the twelfth convocation) decided to launch the economic reform in cities throughout the country. It is thought that it will have been completed in the main within three to five years.

In his report, "The Current Economic Situation and the Economic Reform"<sup>1</sup>, Premier Zhao Ziyang noted that considerable economic growth had taken place in 1984. The gross industrial and farm output grew by an average of 7.9 per cent between 1979 and 1983, and by 14.2 per cent in 1984. The previous year, like several preceding years, had seen a good harvest. Grain output topped 407,000,000 tons, which represented a 5.1 per cent increase over 1983, while the production of cotton fiber grew to 6,080,000 tons, a 31.1 per cent increase over 1983.

Industrial output continued to grow. The country produced 770,000,000 tons of coal and over 114,000,000 tons of oil, which represented an 8 per cent increase over 1983. Nearly 600,000,000 square metres of housing were built in rural areas and nearly 100,000,000—in urban areas.

The average urban income was 608 yuan while the average rural income was 355 yuan a year. These figures represent a 12.5 per cent and

<sup>1</sup> See *Renmin ribao*, March 21, 1985

14.7 per cent increase over 1982 respectively. The annual retail trade turnover grew by 17.8 per cent as compared with 1983. •

Light industry is developing more rapidly. Whereas between 1979 and 1983 it grew by an average of 11.2 per cent, in 1984 this figure had jumped to 13.9 per cent. The figures for the annual growth of output in heavy industry were 9.8 per cent in 1982, 12 per cent in 1983 and 14.2 per cent in 1984.

The second aspect of the government's activities, namely, the "open door" policy, was described in Zhao Ziyang's report in the following way. In 1984, China's foreign trade was valued at 120.1 billion yuan, an increase of 19.6 per cent over the previous year, with price and currency rate fluctuations taken into account. During the year the government issued licences to 741 mixed enterprises based on Chinese and foreign capital, or slightly more than had been issued during the five preceding years combined. The amount of foreign funds, used in one form or other, totalled \$2.66 billion, or 35.7 per cent more than in 1983. Contracts had been signed for the import of 1000-odd units of foreign technology.

The session focused on the difficulties involved in implementing the reform in the cities, which had been revealed before April 1985. While questioning the correctness of the general course being followed, the delegates, as well as press reports and statements by PRC leaders that appeared both before and after the session, expressed concern, and occasionally alarm, over the fact that numerous new processes were often developing in directions different from those which had been planned and that the state was losing control over them, that miscalculations and defects in the planning and monitoring of the reform as well as abuses on the part of high-ranking government and Party officials discredited the idea of the reform, caused displeasure and suspicion among the masses and might undermine the socialist basis of the economy unless the government and the Party took urgent and well-aimed measures.

The NPC session could not and did not describe the high rates of economic growth in 1984 as an unqualified success. They have dramatically enhanced the existing imbalances in the economy of the People's Republic of China already "overheated" by energy, raw material, and transport strains. The head of the government criticised the "pursuit of unrealistically high targets". If we do not put an end to these phenomena in time, he said, they may give rise not only to an epidemic of deception, formalism, lagging, unfounded concentration of money, arbitrary and gratuitous waste of materials and manpower, but also to strains in various spheres of economic life. In this connection he called for the pre-1984 growth rates to be maintained. In other words he would like to see growth rates of approximately 7.8 per cent, rather than 14 per cent, as was the case in 1984. These rates, the report stressed, bred hope that even at this pace the country will be able to quadruple its industrial output by the year 2000, thereby accomplishing the main economic target of the "four modernisations" programme. Among the "problems that cannot be ignored" he also listed the insufficiently rational production structure and inflated extrabudgetary investments in fixed assets.

In his report Zhao Ziyang said that the "financial situation in the country is continuing to improve". What is apparently meant is the quantitative aspect, whereas qualitatively considerable complications emerged between October 1984 and the first quarter of 1985. These have had a negative effect in the state of the Chinese economy. They were the result not so much of the government's miscalculations, which Zhao Ziyang called a "serious error", as of the logic of production activities, induced by the course of the reform in the cities. In particular, the miscalculation consisted in the fact that the government, while defining,

at the start of the reform of the financial system and the system of wages, the amount of credits the specialised banks would be allowed to dispose of as they saw fit in 1985, took for the basic amount of credits to be given to enterprises that of 1984, and for the basic quantity of wages—the 1984 wages fund. "As a result", the report said, "some financial bodies began, to the detriment of the state interests, vying among themselves in giving credits with a view to raising the basic crediting sum, while some enterprises, administrative and other non-productive bodies arbitrarily raised wages in their own interests and paid bonuses in an attempt to increase the wages fund. All this has led to a sharp rise in bank credits and the consumption fund". Between 1983 and 1984, bank credits rose by 28.9 per cent, with December's figures alone accounting for 48.4 per cent of the annual growth. A similar picture emerged in the sphere of salaries and wages. Wages rose in 1984 by 19 per cent, the fourth quarter alone accounting for 38 per cent of this increase.

All of this brought in its wake an unwarranted emission of 8 billion yuan, inflation, and the growth of prices on food and basic commodities. According to Deputy Premier Yao Yilin, the government had to quickly buy 2 billion dollars' worth of consumer goods abroad to reduce the extra cash accumulated by the population, somewhat dampen inflation and calm the urban population. He also said that in 1985 the government would seek to maintain price rise at a level of 5 per cent.<sup>1</sup>

In 1984 the state spent 5 billion yuan more than it brought in, or 2 billion more than had been originally planned. The foreign currency reserves shrunk by almost 2 million dollars. Yet, Director of the People's Bank Chen Muhua who assumed the post shortly before the NPC session holds that "on the whole currency reserves are satisfactory, amounting as they did by the end of 1984 to \$14.42 billion".

All of those who addressed the session levelled much criticism at various harmful trends attending the economic reform and the "open door" policy. For example, Zhao Ziyang said that "in late there has been some growth in harmful trends, these being, among others, the arbitrary granting of bonuses and various perquisites both in money and in kind, voluntary price rises in order to gain more profits, the abuse of office to resell state materials, giving parties and presents for self-seeking reasons, bribery and corruption. All of these unhealthy practices are harmful for the reform. If they are not stamped out in a most resolute way, they will not only discredit the reform and hamper its successful implementation but they will foil the creation of a socialist material and intellectual culture". Zhao Ziyang appealed for stop the trends by economic, administrative, and judicial measures.

It should be noted that economic abuse and economic crimes have accompanied the reform from the very beginning. As early as 1981 the CPC Central Committee, and the PRC State Council had to take most energetic administrative, Party and judicial measures to dampen, if not to stamp out, the hectic criminal activities of civil servants and party officials who engaged in speculation and smuggling, corruption, embezzlement, and tax evasion, who reduced the quality of products and priced them excessively high in order to make maximal profits, etc. The opportunities for economic abuse and economic crimes have grown since enterprises and offices were given more economic and financial leeway, since foreign businessmen became more active and capital from developed capitalist countries began being used more widely. Contacts with private enterprise have given rise to entrepreneurial sentiments in the cities, countryside, and, what is particularly harmful, in the civil service

<sup>1</sup> See *China Daily*, March 29, 1985.

<sup>2</sup> See *Renmin Jiaojiao*, April 1, 1985.

and the party apparatus. For example, Huo Xian reported that in 1984 many party and administrative bodies in Liaoning province set up quite a few joint stock companies of various types. By late January 1985 there were 1,219 "enterprises" of this kind with 3,000 party and state officials participating in them. The enterprises based in the provincial centre of Shenyang alone own registered funds worth 119,713,000 yuan, 99.28 per cent of this figure representing actually appropriated public money. A number of "portfolio companies" have appeared, run by people who possess neither an office, nor equipment, nor funds, but engage in mediation. In the port city of Yinkou, Liaoning province, a Party City Committee department set up a "labour service" company which resold sawn timber through third parties.<sup>1</sup> The cost of bargains ran at 30,000 yuan.

Thus, the miscellaneous and hasty of the governing bodies just as mounting spirit of enterprise, the desire for personal gain generated by the situation that has emerged in the course of the reforms appear to be main reasons behind the dramatic and quite significant complications which have arisen in China's economic and political life. It is common knowledge that the state enterprises and offices (and earlier, households in rural areas), in say nothing of the individual and private sectors, have been given, at first in the countryside and since the 1984 session in the cities, scope for independent economic activities and the right to sell their products on the free market, provided they comply with norms and quotas prescribed by the plan. After meeting the plan targets, a factory can take an independent decision on the range of goods to be sold on the market at "floating prices" which, however, should not exceed the state price by more than 20 per cent.

At the same time, a spirit of enterprise involves at times even the managers of state enterprises and civil servants in deals which cannot always be distinguished from those made on legitimate terms and negotiations leading to "economic crimes".

It may appear that the most significant aspect of the economic reform is the gradual introduction, particularly since late 1984, of the "system of the director's responsibility for production". It is held that this system should constitute the main form of economic activity of factories, by analogy with the "system of household responsibility for production" in agriculture which has been in existence for a number of years already. The factory director is appointed by the government. If prior to the autumn of 1984, factories did not exceed one and a half months' wages, they may now exceed two and a half months' wages. Moreover, the director can disregard this restriction in which case, however, the factory has to pay the state a tax on payments made over and above those specified by the plan.

In his report the head of the Chinese government paid a great deal of attention to overcoming problems which arose as the economic reform unfolded at the turn of 1985. "We must take full account of all problems and difficulties", he stressed, "and be careful in preventing any possible danger. Should we reject the active implementation of the reform, miss the favourable opportunity or fail to achieve harmony in economic relations we are bound to lose support of the masses. And vice versa, any overcalculation on account of caution or neglect will also lead to the loss of support. We must seize every step we make. Where reorganization is going to be a great success it must be carried out without any hesitation but where there is no full confidence in it experimental approach must be attempted. In this way we will have a stronger guarantee more room for manoeuvre and can be insured against any failures."

1985 was declared the first year of the economic reform in the cities.

<sup>1</sup> See Huo Xian, *ibid.* No. 1, 2, 1985.





—To introduce especially strict limitations on the volume of capital investment in fixed assets, particularly, as regards the extra budgetary capital investment. Investments exceeding the rated limits will be taxed severely.

—To cut down expenditures on administrative needs resolutely (by 10 per cent) and reduce the purchasing capacity of all organisations (by 20 per cent) as compared to the real 1984 figure.

—To accelerate the process of withdrawing money from circulation by restricting the money flow, increasing production of consumer goods and expanding the sphere of services.

In view of the current inflation which has been accompanied by price rises, it has been decided to "introduce in the cities the rationing of the most important foodstuffs that directly affect the well-being of the people, such as flour, cereals and cooking oil, the prices for them remaining the same as before, and to pay subsidies that will cover to a certain extent the growth in food prices". According to Cheng Zhiping, General Director of the State Pricing Agency, the government intends to spend 2.2 billion yuan in subsidies to city dwellers in order to "compensate them to a certain extent for the growth in prices".<sup>6</sup>

In 1985, as in previous years the state will sell colour TV sets, refrigerators and some brands of washing machines on orders from the population.

PRC Finance Minister Wang Bingqian said that in 1985 the country faces the exceedingly difficult task of keeping within the state budget. As in 1984, a budgetary deficit of 3 billion yuan is planned. The budgetary appropriations can be characterised by the following figures: 48.363 billion yuan will be spent for capital construction, 9.4 billion yuan for aid to rural areas, 29.3 billion yuan for education, culture, science and health care, 18.67 billion yuan for defence, and 11.9 billion yuan for administration and management.

The Xianggang (Hong Kong) issue loomed large at the session. As is well known, in December 1984 in Peking the PRC and the British governments signed a joint declaration under which sovereignty over Xianggang (Hong Kong) will revert to the PRC as of July 1, 1997. The economic system, laws and the life styles of its population would remain intact for another 50 years. Hong Kong would also retain its free port status and monetary system. Foreign policy and defence will be the responsibilities of the central government of the PRC.

Addressing the NPC session on this matter, PRC Foreign Minister Wu Xueqian described the Xianggang (Hong Kong) settlement as "an important achievement for PRC foreign policy". He said that the "concept 'one state—two systems' is the guiding force behind China's policy on this issue". China hopes that the reconciliation with Taiwan will be possible on the same basis.

The session endorsed the Inheritance Law. In explaining the bill, Wang Haimin, Secretary of the NPC Standing Committee and Chairman of the Commission on Legislative Proposals, said that the "personal property of Chinese citizens is protected by the Constitution and PRC legislation. The drafting of the law was prompted by the fact, he said, that as a result of the economic reform a considerable number of Chinese citizens had found themselves in possession of means of production they had acquired by lawful way. According to the Inheritance Law, this property can be inherited.

He also explained the draft resolution which would grant the PRC State Council the power to adapt temporary decrees affecting the economic reform and the "open door" policy. These would assume the

<sup>6</sup> *Ibidem*.

force of law following consideration and endorsement by the NPC session.

Between March 25 and April 8, 1985, Peking, likewise, hosted a regular session of the National Committee of the People's Political Consultative Council of China (NC PPCCC), an organ of the united people's democratic front of China, which is composed of a number of democratic parties. A *Renmin ribao* report said that the NC PPCCC had considerably stepped up its public activities. After last year's session it had sent several working groups and fact-finding missions to some provinces in order to aid and invigorate the work done locally in such spheres as politics, the economy, culture, education, and contacts with foreign countries. NC PPCCC members made 1400 proposals aimed at improving work under the economic reform and the "open door" policy<sup>7</sup>.

Addressing the session on its closing day, NC PPCCC Chairwoman Deng Yingchao said that the session had been a success and she believed it had reflected the NC PPCCC's role as an organ for political consultations and democratic control.

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## WESTERN DEBATES ON CHINESE ECONOMIC REFORMS VIEWED

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[Article by Yu. M. Ryakin: "What Do the Debates on the 'End of China's Isolationism' Conceal?"]

The study and prediction of the socio-political consequences of China's economic restructuring and its development of ties with the West has become one of the most prominent trends in western Sinology during the past few years. As a rule these studies contain proposals on how China's domestic and foreign policy may be influenced to the benefit of the West. Western Sinologists invariably see a connection between steps taken by Chinese leadership, aimed at invigorating economic, trade, scientific, technological and other ties with the capitalist states, and the desire to involve China in the economic and, if possible, political machinery of the "free world".

The British Sinologist Michael Yahuda\* takes this approach to China's current problems. He states that his objective is to examine continuity and changes in China's foreign policy since the death of Mao Zedong in September 1976, by distinguishing "between the geopolitical and societal dimensions of China's foreign relations" (p. IX). The well-known American Sinologist L. Pic, whose review of Yahuda's book was published in *China Quarterly*<sup>1</sup> thinks that it is to the author's credit that, unlike many American Sinologists, who are greatly impressed by the development of trade and cultural ties between China and the West, Yahuda considers this a matter secondary to the issue of national security;<sup>2</sup> thus he emphasises Yahuda's original approach to the study of the problems facing China today.

It is our opinion that the book under review is, on the whole, written in the style traditionally adopted by bourgeois Sinologists, especially in the first, "geopolitical", section. In actual fact, it confines itself to statements concerning the general continuity of Peking's foreign policy.

The other, "social" aspect of the study deserves more attention: Yahuda describes it as "the impact on Chinese society of China's economic and cultural interactions with the outside world" (p. IX). It should be said that this aspect of Chinese studies has become very fashionable among Western Sinologists during the last few years.

First, it should be said that for Yahuda the term "the outside world" is synonymous with the Western, capitalist world; he considers it superfluous even to touch upon the "interaction" with the socialist countries, both in the period between 1976-1982 and in the future.

Thus, for Yahuda the problem of China's "isolation" lies either in the existence of contacts with the West or their absence. This position is strange, to say the least. There is not a single country in the world today (and this is especially true of those which claim to play an important role in international affairs) which can afford not to have any ties with the socialist community, for a longer or shorter period of time. The fact that Yahuda would like to see China's foreign relations develop in one direction only—towards the West—is another matter altogether. Precisely for this reason he bends over backwards to distort the nature

\* Michael YAHUDA, *Towards the End of Isolationism: China's Foreign Policy After Mao*, London and Basingstoke, 1983, 279 pp. Michael Yahuda, formerly Professor of East Asian Studies at Adelaide University, now teaches at the London School of Economics. He represents the conservative trend in today's bourgeois Sinology, champions anti-Sovietism and anti-communism.

<sup>1</sup> *China Quarterly*, No. 98, June, 1984.

<sup>2</sup> *Ibid.*, p. 362.

and importance of Soviet-Chinese relations during the 1950s. He is well aware that the development of the PRC's links with the socialist countries would have brought to naught the plans nurtured by the West regarding China.

At first, Yahuda entitled his book *The End of Isolationism*. Later, however, he changed the title, adding the word *Towards*, which is symptomatic in itself. The author explains it in the following way: though in the 1970s and early 1980s Peking "significantly expanded and deepened the extent of China's interchanges with the outside world" (p. XII; the author means the capitalist states, as was pointed out above.—Yu. R.), "partial isolation" was maintained as, in a number of cases, the Chinese leaders deliberately limited the country's contacts with the West (we shall return to this fact later in this article). In any case, the author thinks that a tendency towards China's greater involvement and interchange with the outside world does exist, though it is not clear thus far, whether this trend will continue (p. XIII). As a matter of fact, the extent to which China has been involved in the development of ties with the capitalist world and the impact these ties will have on its domestic and foreign policies are the questions taken up by this monograph.

According to Yahuda, in the late 1970s the Chinese leaders launched an "open door" policy, a vitally important component of the "modernisation programme". In Yahuda's opinion this policy "involves mainly expanded economic relations, but also a wide range of scientific, cultural and other exchanges, with Western countries in particular" (p. 1). The author emphasises the importance of such a "social factor" as the sharp increase in contacts with the West as these contacts could seriously influence attitudes towards the way of life in China, personal aspirations, priorities in the choice of education and career, etc. The author maintains that the "social consequence" of expanding contact with the West are "not approved of" by the CPC and its leadership (p. 6). By opening doors rather widely to the capitalist West, the leadership has indeed created a situation which has had several negative consequences: the passion a section of the urban youth have for the Western way of life; the growth of private-property and individualistic sentiments; corruption, increased political indifference, etc. All this has compelled the Chinese leadership to take measures to regulate contacts with the capitalist countries, and tighten controls over their development. Yahuda disapproves of these acts by the Chinese authorities, and he disappointedly calls them a "partial isolation" policy. He reproaches Peking for "being disloyal" to the West and for allegedly frustrating its readiness for cooperation.

Having paid tribute to extensive "personal" contacts which he would prefer to see develop uncontrolled, the author turns to a more fundamental problem, i. e., the economic reform which is being carried out in China today, and one aspect of this reform: China's attitude towards political and economic cooperation with the West, and the political consequences of this cooperation.

In general, current bourgeois Sinology has widely disseminated the idea that the very nature of the changes being carried out in China today will give the West a chance to take social revenge in China, that this chance should be taken full advantage of. The author of the book under review shares the same opinion.

Yahuda describes his position on the score quite frankly, saying that "opening China's doors to the West necessarily raised problems related to the... incompatibility between China's political and economic values and norms" and those of the West. (p. 137). He points to important political limits which will continue to restrict China's involvement in the world economic system [i. e., the capitalist system.—Yu. R.]. By "limits" Yahuda means the political system which he describes as "China's political



system, under which political power is centralised by the Communist Party and the economy is managed by the system of centralised planning (p. 136).

Consequently, the author maintains, if China wants to improve its ties with the West it needs to institute reforms primarily in the area of government. Firstly, it has to draw a "clear demarkation line between the roles of the party, the government and industrial management"; secondly, it must establish a market economy. All this, according to the author, should enable China to make decisions based on economic expediency, decisions which would not be determined by the administration or dictated by incompetent party volunteers. As a result, it would lead to the adoption of economic criteria that would be taken up by the international (capitalist) economic community as rational. The problems of establishing closer economic external relations and the absorption of foreign technology would be considerably eased (p. 147).

In other words, Yahuda declares that if China is to open itself to the West, it must be understood that being, in his opinion, the "open door" to the West is not the "opening of links with the West" but the ending of China's "isolation" from the "outside world". It is this, he says, is central to all of his arguments.

At the same time, Yahuda is quite satisfied with the "open door" policy as it placed China under Western influence to a degree impossible to foresee in the early 1970s (p. 237). By this he means not only a sharp increase in the volume of trade, economic, scientific technological, cultural and other exchanges with the capitalist states, but also an expanded role these exchanges are playing in China's political and economic life. "The modernisation programme", Yahuda asserts, "also involves an attempt to establish a new political and economic order. The opening to the West is seen as necessary for the economy, but it is also seen as a threat to the political order" (p. 237).

It must be said that Yahuda has succeeded in finding a suitable spot for the economic policy pursued by the present-day leaders. He virtually points to it with satisfaction and, in a few places, even to economic decentralisation. The author states, "especially at the enterprise level, can lead to political diversity of political parties" (p. 186). And, later: "In this programme of reforms China's leaders are confronted with real political dilemmas. On the one hand, they want to establish a legal order, clear lines of organisational responsibility and a system by which economic decision-making at the enterprise level in industry and at the grass roots level in agriculture can be separated from 'administrative' decision-making by the hitherto all-powerful local Party Committee and the secretary. On the other hand, they wish to enhance Party leadership and 'socialist morality'" (p. 238).

As a result, Yahuda warns, there is a danger that the "open door" policy could be deemphasized. "If this did happen, it could very well spill over into the strategic dimension of foreign policy. It could, for example, seriously affect China's alignment with the West. Indeed, the strains that have emerged in Sino-American relations since the previous decade, on Taiwan, may already reflect such a possibility" (p. 239). The author contends, PRC leaders may have been "too cautious" on the issue severely curtailed because of domestic "conservative" reforms and because of problems that have arisen in bilateral relations with the West" (p. 239).

The author arrives at the conclusion, however, that the foreign policy Chinese leadership has been pursuing since 1976 is "geopolitical" as was the one pursued earlier, although China's diplomatic style has become more flexible. (p. 245). The most dramatic changes, the author writes, occurred in the social sphere. They manifested themselves



## CHINESE SCHOLARS ON CCP HISTORY AFTER PRC'S CREATION

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[Article by candidates of historical sciences A. S. Ipatova, Yu. M. Ovchinnikov, V. N. Usov and K. V. Shevelov]

The series *Lectures on the History of the CPC*, put out in one or two volumes and intended for teachers and students at universities has been published in China since 1980. The *Lectures* are compiled by special groups formed on the basis of several institutions of higher learning in the provinces and cities. About two dozen of the *Lectures* have been published thus far. Moreover, all of them, as a rule, are being constantly revised and have been brought out in the third or even fourth editions already.

The account of the CPC history in the PRC period presented in the versions of the *Lectures on the History of the CPC*<sup>1</sup> known to us, follows, on the whole, the official version recorded in the "Decision on Some Questions of the CPC History Since the Creation of the PRC" at the 6th CPC Central Committee Plenary Meeting of the 11th convocation. It is stressed in most of the forewords or afterwords to the *Lectures* that they were written either in the spirit of the 6th Plenum's "Decision", or on the basis of it. It is also noted that the authors of *Lectures* were given the opportunity to use publications, not generally available, such as *The Chronicle of the History of the CPC* and *The Chronicle of the History of the PRC* as well as certain declassified documents and materials, some of which have been published by the hongweibing press or in publications from Taiwan or Hong Kong.

Perusal of the *Lectures* in our possession shows that on the whole they are of a descriptive and factual nature. In these lectures the history of the CPC is presented in the form of a chronicle of the major events and measures by the Party, and its activities. Previously unknown party documents, facts and events are introduced into scholarly circulation without references to sources. The information in most instances is of the sort given in reference books and usually reflects only the formal aspect of the CPC's activities without revealing the Party's condition or develop-

<sup>1</sup>*Lectures on the History of the CPC*, Vol. 2 Shanghai, 1981 (further—*Lectures*, Shanghai); *A Brief Course of Lectures on the History of the CPC, 1919-1956*, Guangzhou, 1980 (*Brief Course*, Guangzhou, 1980); *A Brief Course of Lectures on the History of the CPC*, Vol. 2, Guangzhou, 1981 (*Brief Course*, Guangzhou, 1981); *Lectures on the History of the CPC*, Changchun, 1981 (*Lectures*, Changchun, 1981); *Lectures on the History of the CPC*, Vol. 2, Wuhan, 1981 (*Lectures*, Wuhan, 1981); *Lectures on the History of the CPC*, Vol. 2, Wuhan, 1982 (*Lectures*, Wuhan, 1982); *Lectures on the History of the CPC*, Vol. 2, Jinan, 1982 (*Lectures*, Jinan); *Lectures on the History of the CPC*, Vol. 2, Hangzhou, 1982 (*Lectures*, Hangzhou); *Lectures on the History of the CPC*, Shenyang, 1982 (*Lectures on the History of the CPC*, Tianjin, 1983 (*Lectures*, Tianjin); *Lectures on the History of the CPC*, Vol. 2, Changchun, 1983 (*Lectures*, Changchun, 1983).

ment. Thus, there is no analysis of the CPC's composition in terms of social group or age, the dynamics of the Party growth, etc.

Although the *Lectures* do not take up the question of how the CPC's history after the victory of the people's revolution should be divided into periods, the division of the work into chapters and paragraphs encompassing certain chronological periods shows that in this aspect too, the CPC's history after 1949 is, on the whole, presented in the spirit of the "Decision" adopted at the 6th Plenary Meeting of the CPC Central Committee.

The first period is limited to the time framework from October 1949 to December 1956 and is defined as the "period of recovery for the national economy and of socialist reforms".<sup>2</sup> The second period, January 1957 to April 1966, is described in the *Lectures* as the "period when the full-scale building of socialism began". The third period, May 1966 to October 1976, is the "period of the great cultural revolution". The fourth, which begins in October 1976, is called the "new period of socialist modernisation and construction". Each of these major periods in the CPC history is, in turn, divided into yet smaller periods.<sup>3</sup> Thus, the first period is divided in the *Lectures* into two sub-periods: "the recovery of the national economy and the strengthening of the people's democratic dictatorship" (1949-1952) and "socialist reforms" (1953-1956).

The *Lectures* retain the non-uniformity in defining the nature of the Chinese revolution "that ended in victory in October 1949", that was characteristic of the official Chinese version of history in the 1950s. The revolution is defined as "new democratic", "people's democratic", "democratic" and "popular". In one of the versions of the *Lectures* it is defined as a "national-democratic" revolution.<sup>4</sup> But such definitions of the nature and substance of the revolutionary process in China at that stage stem only from the broad range of the revolution's motive forces. At the same time the authors contend that in terms of strength and numbers the proletariat was superior to the national bourgeoisie during the revolution and that it is this circumstance that explains the ease with which it established its hegemony.<sup>5</sup>

All the *Lectures* claim that a radical turning point in the revolution occurred with the CPC's coming to power in October 1949. From then on the revolution was socialist rather than new democratic in nature.

In accordance with this conclusion (and in the spirit of the evaluations made at the 8th CPC Congress) the authors of all the *Lectures* characterise the political power that was proclaimed in China in October 1949 as the dictatorship of the proletariat. "Immediately after the victory of the revolution", it is said in one of the *Lectures*, "the Party established a democratic dictatorship of the people under the guidance of the proletariat. It was, in effect, a dictatorship of the proletariat, which was, in turn, the key political condition for the changeover from a democratic to a socialist revolution".<sup>6</sup>

The first moves the CPC made after coming to power—to "rectify the

<sup>2</sup> In some of the *Lectures* the 1949-1952 period is presented in a separate chapter entitled "The Party in the Period of the National Economy's Recovery (1949-1952)" or "The Period of the National Economy's Recovery (1949-1952)" that concludes with an analysis of the results of the first three years of building new China. The authors of these versions adhere to the periodisation that was adopted by Chinese historians in the 1950s when the years 1949-1952 were singled out as a separate period and referred to as the "period of recovery".

<sup>3</sup> For one of the latest versions of modern Chinese history's periodisation (including the history of the CPC after the proclamation of the PRC), see Li Xin, *On the Question of Dividing China's Modern History into Periods*, Lishi yanjiu, 1983, No. 4, pp. 9-10.

<sup>4</sup> *Lectures*, Changchun, 1981, p. 475.

<sup>5</sup> *Ibidem*.

<sup>6</sup> *Brief Course*, Guangzhou, 1980, p. 280.

style of Party work, such as rectify and build Party organisations" (1959-1964)—are described in some detail for the first time in Chinese historical research. But the presentation does not contain data on the actions that were taken to rectify the Party and the results this campaign had. The authors of the *Lectures* limited themselves to only two figures: 1.07 million new members joined the CPC in the course of the campaign from late 1950 to June 1953, while the number of party organisations during the same period increased from 246,000 to 328,000. There is no data on the expansion from the CPC of 11.5 per cent of its members during 1950-1953.

The interpretation of the case of Gao Gang-Pao Shushi<sup>1</sup> presented in the *Lectures* is entirely on the spirit of the official version outlined in the decisions taken at the 4th Plenary Meeting of the CPC CC of the 7th convocation (February 1954), the All-China Conference of the CPC (March 1955) and the speeches made at it by Mao Zedong, published in 1977 in the 5th volume of his *Selected Works*.

The *Lectures* feature the entire set of charges made against Gao Gang and Rao Shushi copied from the abovementioned documents. The additional material introduced by the authors of the *Lectures* serves only one aim—to confirm that grave crimes against the party were perpetrated by Gao Gang and Rao Shushi, on the one hand, and to substantiate the justness of the punishment they received, on the other. At the same time it is particularly emphasised that the CPC Central Committee had supposedly given Gao Gang and Rao Shushi several opportunities to "reeducate" themselves but that the latter "did not understand this and stood firm on their anti-party platform" while Gao Gang, moreover, "by committing suicide demonstrated his final betrayal of the party". (When talking with the authors of the draft "Decision" adopted at the 6th Plenary Meeting of the CPC Central Committee Deng Xiaoping said that even from the current perspective the correct decision had been made on that "case" and that the question of Gao Gang and Rao Shushi was solved humanely.)

In actual fact, as we know, the incident was by no means an intrigue in the party of Gao Gang and Rao Shushi in the course of a power struggle.

The party's general line in the transitional period, adopted late in 1953, is highly appraised in the *Lectures*. The main point the authors want to make is that this line reflected the historical inevitability of the country's socialist industrialisation and the building of an independent and powerful state. Great importance is given to the fact that this general line was worked out and adopted on the basis of the opinions of the authors of the *Lectures*, to Mao Zedong.

A somewhat large appreciation is given in the *Lectures* to the 8th CPC Congress (September 1956): the 3rd congress to be held after the creation of the PRC. The interpretation and evaluation of the Congress are mostly in keeping with the "Decision" adopted by the 6th Plenary Meeting of the CPC Central Committee. Special attention is merited by the summary in the *Lectures* of Deng Xiaoping's report "On Changes in Party Rules", or rather by the accents that are made in describing it. The only part of the report referred to in the *Lectures* concerns the "line taken by the masses" as well as the struggle against bureaucratism, sectarianism and subjectivism, and the question of how the leader's role and place in the Party should be defined. At the same time the *Lectures* make no mention of the criticism leveled at the cult of personality during the Congress, the elimination from the CPC Rules of all reference to the

<sup>1</sup> In Deng Xiaoping's report at the 8th CPC Congress (1956), pp. 257-258 (in Chinese). One must remember that the case of Gao Gang and Rao Shushi was the case he gave the most important place in the 1956-1957 "Great Rectification Campaign" in the CPC's All-China Conference.



"thought of Mao Zedong" or that Marxism-Leninism was the party's ideological and theoretical foundation.

As is well known, the 8th CPC Congress was held in the spirit of friendship with the USSR and the other socialist countries, and was influenced by the atmosphere and decisions of the CPSU's 20th Congress. The *Lectures*, however, pass over in silence the main conclusion that runs like a red thread through virtually all of the Congress documents—that socialism in the PRC can be built successfully only in close cooperation with the USSR and the other fraternal socialist countries.

By and large the history of Soviet-Chinese relations is reduced in the *Lectures* to the signing of the Soviet-Chinese treaty of February 14, 1950. The *Lectures* note that it strengthened friendly relations between the peoples of the two countries, dealt a blow to the imperialist policy of aggression and wars, thus promoting the cause of peaceful construction in China.

A more detailed description of the talks and an evaluation of the treaty's importance are contained in two of the Changchun and Jinan versions of the *Lectures*. Actually only these mention Soviet assistance to the PRC in the construction of 156 key industrial projects during the First Five-Year Plan.

All the versions of the *Lectures* have a great deal to say in praise of Mao Zedong's contribution to the victory of the Chinese revolution, the cause of socialist construction, the theoretical analysis of the first years of the PRC's development, and especially the contribution he made to mapping out the Party's general line in the transitional period, to the collectivisation of agriculture and socialist transformations.

The *Lectures* do not contain any direct criticism of Mao Zedong's activities during this period. It is expressed only indirectly, in the condemnation of ideological campaigns and the practice of using labels like "counterrevolutionary" and "counterrevolutionary grouping." This criticism is contained in the words "this is a lesson to us." The entire blame for the oversimplified and crude nature of ideological education is placed on local party organisations while Mao Zedong, the main instigator and organiser of these campaigns, is shielded from criticism.

Unlike previous works on history, in which all of the CPC's achievements are ascribed to Mao Zedong, note is now made in the *Lectures* of other leaders, particularly Zhou Enlai and Liu Shaoqi, with whose names the organisation and implementation in those years of a number of important party and state measures—and the 8th CPC Congress in particular, are associated. Mention is also made of such leaders as Zhu De, Chen Yun, Peng Dehuai, Deng Xiaoping, Chen Yi, Lin Biao and Lin Biao.

The *Lectures* divide the second period of the CPC's history after the creation of the PRC into two sub-periods: 1957 to 1961 and 1962 to 1966.

As is well known, the main events in China in the 1957-1961 period were the pursuance of the "great leap forward" policy, the creation of people's communes, the Lushan Plenary Meeting (August 1959) and the struggle Mao Zedong launched at the meeting against Peng Dehuai and "right-wing opportunism." All the publications in China today give a negative evaluation of the "great leap forward" and admit that the mistakes of the "great leap forward" and of "struggle against the right-wing deviation" seriously disrupted the national economy.<sup>8</sup> The "left-wing" deviation, as it is noted by Chinese historians today, appeared in 1958 during the "great leap," and resulted in a worsening of the conditions favourable to socialist construction that had taken shape in China after the 8th CPC Congress.

The Chinese historians are critical of the Lushan enlarged plenary

<sup>8</sup> *Peoples' World* 1982, p. 48, 74; *China's Past*, 125; *China's Changchun* 1981, pp. 121-122; *China's Past*, p. 126.

of the CC CPC Pucheng (Jan. August 1959) and the Lushan Plenary Meeting of the CPC Central Committee which condemned Peng Dehuai, Huo Beibang, Chang Wenguan and Zhou Xiaofan and adopted the "Decision on the Anti-Party Group headed by Peng Dehuai" as well as the decision openly to publish in the newspaper *Renmin ribao* an editorial entitled "Waging Battle against Right-Wing Opportunism, to Defend the Party's General Line".<sup>1</sup> As is now admitted in the PRC, "the criticism of Peng Dehuai during and after the Lushan conference and Plenary Meeting and the subsequent struggle throughout the Party against the right-wing deviation were mistakes which inflicted serious damage on the country's democratic life from the CPC Central Committee down to the grass root organisations".<sup>2</sup> "erroneously inflicted blows on a big group of comrades who were making critical remarks that truthfully reflected the actual situation".<sup>3</sup> The campaign brought considerable losses to party cadres.

In this connection it would not be out of place to recall that Peng Dehuai's letter to Mao Zedong, of July 14, 1959, which criticised the "great leap forward" was published in the PRC in 1981.<sup>4</sup> In the *Lectures on the History of the CPC*, Peng Dehuai's criticism is directly linked with Mao Zedong's death. In his talk with high-ranking officials of the CPC Central Committee on April 1, 1980 Deng Xiaoping also noted that Peng Dehuai's opinion, written in the letter, was "correct" and the measures taken against him were "absolutely wrong".<sup>5</sup>

The striving to regain lost the activities of Zhou Enlai and Chen Yun during those years is characteristic of Chinese historical research today and is explained by the desire to learn the correct decisions taken by the CPC Central Committee under pressure from Mao's iron presidency. It is noted in the *Lectures* that a number of conferences were held between November 1958 and April 1960 to "rectify" the mistakes of the "great leap forward" and certain results were achieved. But the rectification of the mistakes was incomplete and the work to correct economic development plans as well as the management and organisation of communities was not completed. The practice of "blindly running ahead of time" was not officially repudiated at the time, and this resulted in new mistakes being made.

The years when the national economy was adjusted are said to belong to the "second ten-year period of recovery" of the CPC and the PRC. This period is officially said to have begun in 1962,<sup>6</sup> although almost all of the evidence dates to the middle of 1961.

Although Chinese historians now regard the "rectification" of the economy as the "first step" to the "great leap forward" on the whole, it is nevertheless viewed as a series of poor and failures that even in 1966 and 1968 agriculture and light industry were not yet meeting the population's needs.

This is the negative evaluation of the "great leap forward" and ideological and political campaigns conducted between 1962 and 1965. Chinese historians today differ in their assessments of the ten-year period of the PRC's development between 1957 and 1966. As is noted in one of the volumes of the *Exposition*: "during that period the party" achieved considerable successes despite the serious temporary deficit it suffered. The greater part of the foundation and technical base on which we rely today in our

<sup>1</sup> *Shenji* (the Rectification) (1959), 220-22. In 1981, the *Shenji* was revised and published as *Shenji* (the Rectification) (1981), 220-22.

<sup>2</sup> *Shenji* (the Rectification) (1981), 220-22.

<sup>3</sup> *Shenji* (the Rectification) (1981), 220-22. In 1981, the *Shenji* was revised and published as *Shenji* (the Rectification) (1981), 220-22.

<sup>4</sup> *Shenji* (the Rectification) (1981), 220-22.

<sup>5</sup> *Shenji* (the Rectification) (1981), 220-22.

<sup>6</sup> *Shenji* (the Rectification) (1981), 220-22.

denudation and construction was created during that period, the greater part of the country's specialists in the field of economic and cultural development was educated during that period, and they gained experience during that period".<sup>1</sup> Between 1957 and 1967, as it now admitted, the CPC "gained both positive and negative experience and drew certain conclusions from this". The *Lectures* list the following mistakes of that period:

1. Exaggeration of the role of the class struggle, absolutisation of its role and the expansion of it to the whole of Chinese society in accordance with Mao Zedong's views.

2. Failure to observe the economic laws of socialism, violating the laws on the nature of production relations which must correspond to the level to which productive forces are developed, on the planned and proportional development of the national economy, moderate use of the law of value and the principle of distribution according to work performed, one-sided exaggeration of the reverse impact production relations have on productive forces. It was commonly thought that the higher the degree of socialisation the better. The work to balance material resources, finances and credits was neglected totally, the necessary proportion between savings and consumption were not found and the trend to improve the people's material and cultural life was ignored, the relations between industry and agriculture, light and heavy industry were not balanced, plan indicators were not reconciled with practice.

3. The principles of democratic centralism, collective leadership, and the combination of collective guidance with personal responsibility were implemented incompletely in party administration. No struggle was waged against the cult of the personality, the arbitrariness of one person, against the practice of having a single person take decisions on important matters and no action was taken to curb instances of irresponsibility.<sup>2</sup>

As was stressed in the Decision, admitted at the 8th Plenary Meeting, the CC, CPC and Mao Zedong bear collective responsibility for the mistakes of that period. Moreover, it is noted that Mao Zedong's mistakes in the area of the theory and practice of class struggle, under socialism, were becoming even more serious. His arbitrary style had gradually violated the principle of democratic centralism in the CPC, and generalisation of the personality cult were increasingly

In regards to this period Chinese historians now positively assess the actions of Zhou Enlai, Deng Xiaoping, Liu Shaoqi, Chen Yun, Li Fuchang, Li Xinnian, Deng Zihou and others, as well as those of Lin Biao, Yang Qiong, Kang Sheng and Xie Fuxi.

Typically, all of the aforementioned publications almost totally ignore the CPC's actions in the field of foreign policy during this period. Not a single version of the *Lectures* mentions the international line, the general line of the international communist movement dictated by the CPC leadership. Neither does it mention its regulation of the CPV's published by the CPC leadership in regards to a number of Communist and Workers' parties around the world, including the CPSU, in which those parties were labelled "revisionist", and accused of "revisionist capitalism" and being "apologists of revisionism".<sup>3</sup>

It is only mentioned in passing in the *Struggle*, *Guangming* and *Red Flag* versions of the *Lectures* that at the 8th Plenary Meeting (1958) it

<sup>1</sup> *Lectures*, *ibid.* p. 267.

<sup>2</sup> In *Guangming*, *ibid.* pp. 267-268.

<sup>3</sup> In *Guangming* on 20th September 1967, an article of the CPSU, an article published in the PRC, *Red Flag*, 1967 (in Russian), *Guangming*, *ibid.* pp. 267-268, and *Guangming*, *ibid.* p. 272. *Lectures*, *ibid.* pp. 267-268. *Struggle*, *ibid.* p. 267. *Guangming*, *ibid.* p. 267.

<sup>4</sup> *Lectures*, *ibid.* pp. 267-268. In the *Struggle*, *Guangming* and *Red Flag* versions of the *Lectures*, *ibid.* pp. 267-268.



In discussing the causes of the "cultural revolution" the authors of some versions of the *Lectures* write that after 1957 and especially starting with the Tenth CPC CC Plenary Meeting of the Eighth convocation Mao Zedong's errors in theory and practice concerning the question of class struggle under socialism became more and more serious, his dictatorial style inflicted greater and greater damage on the system of democratic centralism in the Party, that the personality cult was increasingly propagated while the Party's Central Committee failed to rectify these mistakes in time. It is also said that Lin Biao, Jiang Qing, Kang Sheng and Chen Boda<sup>20</sup> exploited these mistakes and exacerbated them.<sup>21</sup>

The *Lectures* contain the following arguments which were used by Mao Zedong when he unleashed the "cultural revolution":

1. A big group of bourgeois, counterrevolutionary and revisionist elements had infiltrated the Party, the government, the army and the sphere of culture. In most organisations power was no longer in the hands of Marxists and the popular masses.

2. The people in power in the Party who had taken the capitalist road, formed a bourgeois headquarters in the centre which was pursuing a revisionist political and organisational line and had its agents in every province, town, autonomous district and central agencies.

3. All the forms of struggle employed in the past had proved ineffective. The power that had been usurped could be won back only by launching a "cultural revolution" open, comprehensively, from top to bottom, and by mobilising the broad masses to expose the abovementioned dark sides.

4. This, in effect, is a great political revolution by one class which is aimed to overthrow another: a revolution that subsequently would be repeated many more times.<sup>22</sup>

"As history shows", the *Lectures* note, "these arguments by Mao Zedong, justifying the unleashing of the 'cultural revolution', did not accord either with Marxism-Leninism or with the concrete reality in China".<sup>23</sup> The authors go on to say that after the "cultural revolution" began these erroneous arguments were gradually systematised and shaped into a theory, which eventually became the "theory of continuing the revolution under the dictatorship of the proletariat".<sup>24</sup> At the 9th CPC Congress this "theory" was approved as "the main component of the CPC's programme".<sup>25</sup>

Without exception historians today concede that the "cultural revolution" was started by Mao Zedong and conducted under his personal supervision. For this reason he bears principal responsibility for the "cultural revolution"<sup>26</sup> and its excesses.

Very little is said in the *Lectures*, while most of them say nothing at all, about the birth of the hongweiping movement, about who was involved in it in the beginning, or about how it was directed and utilised.

Opposition to the "cultural revolution" is barely mentioned in any of

<sup>20</sup> It should be noted that while Chen Boda is not mentioned in the "Decision" adopted at the 6th Plenary Meeting of the CPC Central Committee, many versions of the *Lectures* say he played a relatively active role in the "cultural revolution".

<sup>21</sup> In *Lectures*, Shanghai, p. 115; *Lectures*, Jinan, p. 271.

<sup>22</sup> In *Lectures*, Shanghai, p. 115; *Lectures*, Jinan, p. 271; *Lectures*, Chongqing, 1983, pp. 160-161.

<sup>23</sup> *Lectures*, Shenyang, p. 274.

<sup>24</sup> *Ibid.*, p. 275.

<sup>25</sup> *Hongqi*, 1981, No. 17, p. 43.

<sup>26</sup> In a number of works it is stressed that Mao Zedong had initially planned to finish the "cultural revolution" in 6 months, and educational institutions did not work for half a year. Then it was extended for one year. In the spring of 1967 Mao expressed the view that it would continue for 3 years. At the end of those years Mao did not say at the 9th CPC Congress in 1969 whether the "cultural revolution" had ended or not. *Hongqi*, 1981, No. 22, p. 30.



the versions of the *Lectures*. Thus, the "Decision" adopted at the 6th Plenary Meeting of the CPC Central Committee and most of the *Lectures* speak only of the "sharp criticism" levelled at the fallacious execution of the "cultural revolution" before and after February 1967 which became known in Chinese history books as "the February counter-current". Listed among its participants are such senior CPC officials as Tan Zhenlin, Chen Yi, Ye Jianying, Li Fuchun, Li Xiannian, Xu Xiangqiang, Nie Rongzhen and Yu Qiuli. Mention can be made of just one rather detailed article about "the February counter-current" that was published in a provincial magazine in 1980.<sup>35</sup> But the usual practice is to refer only to the resistance generally.<sup>36</sup>

An analysis of modern Chinese historical research shows that some authors are increasingly trying to put the blame for the excesses of the "cultural revolution" not on Mao Zedong but on the so-called "counter-revolutionary groupings" of Lin Biao and Jiang Qing, Kang Sheng, Xie Fuzhi, Chen Boda, Zhang Chunqiao and Yao Wenyuan.

A number of articles also reveal the desire of the Chinese authors to emphasise Mao Zedong's struggle against the efforts of the abovenamed groupings "to usurp supreme power in the Party and the state", when describing the "cultural revolution".

One should also mention that today's Chinese historians have completely reinterpreted the nature of the actions taken by working people on Tiananmen Square in April 1976. Whereas previously the Chinese press wrote about the criticism that was levelled at Mao Zedong on Tiananmen Square and the calls the demonstrators made for genuine Marxism-Leninism, it is now stated in China that the April actions were directed against the "gang of four" in defence of Deng Xiaoping and Mao Zedong.

An emphasis is made in the *Lectures* on the special achievements the PRC has made on the diplomatic front "since the rout of Lin Biao's group".<sup>37</sup>

The accounts Chinese historians give of the concluding period in the CPC's history (after the death of Mao Zedong) mostly keep within the framework of the "Decision" adopted at the 6th Plenary Meeting of the CPC Central Committee. Initially, this period was not clearly dated. Some articles say it began in November 1976<sup>38</sup>, while others give October 1976 as the date<sup>39</sup>. It appears that the date for the new period's commencement which will eventually be accepted will be October 1976, that is, the time when the "gang of four" was defeated.

Chinese historians divide this period into two subperiods: the first stretching from October 1976 to December 1978 inclusive (that is, to the Third CPC CC Plenary Meeting of the Eleventh convocation) and from December 1978 to the present time. Sometimes a third sub-period is also delineated: it begins at the time of the 6th Plenary Meeting of the CPC Central Committee (June 1981). The first sub-period is characterised as a time of waverings and uncertainty in the Party's work, a result of the leftist errors of the "cultural revolution" and Hua Guofeng's faulty leadership. Of the biggest events the following are included in the first sub-period: the campaign to expose and criticise the "gang of four" conducted in 1976-1977, as well as the CPC's 11th Congress, the ideological discussion of the criterion of truth, and the taking of the first steps towards

<sup>35</sup> In Ji Xichen, "Diary of the February Counter-Current," *Shidaide baoguo*, 1980, No. 1, pp. 45-69.

<sup>36</sup> In (among others): *Lectures*, Shanghai, p. 122; *Brief Course*, Guangzhou, 1981, p. 383.

<sup>37</sup> *Lectures*, Changchun, 1983, p. 293.

<sup>38</sup> *Lectures*, Shanghai, 1981, *Lectures*, Shenyang, 1982.

<sup>39</sup> *Brief Course*, Guangzhou, 1981, as well as the Jinan and Hangzhou versions of the *Lectures*, 1982, Wuhan versions, 1981, and 1982, the Tianjin and Changchun, 1983 editions of the *Lectures*.

rehabilitating the economy. It should also be said that an extremely superficial account is given of the processes that were underway in the Party at the time: the purge of the "leftists", the rectification, etc.

According to Chinese historians the new sub-period of "concerted advance on the basis of generalised experience", begins with the 6th Plenary Meeting of the CPC Central Committee.

Thus, in its presentation, interpretation and evaluation of the CPC's history today's Chinese historians strictly adhere to the CPC's official documents and, in particular, to the "Decision on Some Questions of the CPC's History Since the Creation of the PRC", and some internal Party documents that have been declassified. The main conclusions of the *Lectures on the History of the CPC* are drawn from the "Decision" with small factual supplements and certain textual discrepancies. The authors actually use this factual material only to illustrate the "Decision". At the same time the *Lectures* contain a certain amount of additional material that can be used to study the CPC's history since the creation of the PRC in more detail, although new, previously unknown Party documents are being brought into scholarly circulation only on a limited basis. Often they are only named or the authors merely specify when, where and in what connection they were adopted. No analysis of these documents is presented, however, nor is even a simple description of their content given.

In the *Lectures* the CPC's history since the creation of the PRC is studied in isolation from the history of the international Communist and workers' movement. Very little space is given to the CPC's international ties, while in most cases no mention of them is made at all.

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## THE HUANGPU MILITARY SCHOOL AND THE CHINESE REVOLUTION

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[Article by A. G. Yurkevich]

**W**e know of quite a few examples where modest geographical names have gone down in history as symbols of remarkable events that deeply affected the destinies of many peoples. The tiny island of Huangpu (called Wampu in the local dialect) situated in the mouth of the Zhujiang River near Guangzhou, the centre of the southern Chinese province of Guangdong, is a case in point. On June 16, 1924 a military school, later known as the Huangpu school was opened in an old fort there. The name of the school became an eternal reminder of the glorious victories won during the national revolution in China. It is associated with fruitful cooperation between Chinese patriots and Soviet internationalists.

In the early 1920s China was experiencing one of the most difficult periods in its entire history. This semi-colonial, semi-feudal country which has just thrown off the age-old yoke of imperial tyranny and was caught in a cobweb of unequal treaties with imperialist states, was being torn apart by unceasing wars between militarist cliques which were squabbling to establish control over the Chinese Republic's government in Peking. High-ranking officials in the military administration, in whom almost unlimited power was vested during the period of political stagnation, and commanders of military units and detachments who sought well-paid postings, joined temporary alliances, at one moment siding with the strongest of them, at the next going over to an opposing group. Competing in the plunder of China, the Western powers and Japan patronised various rival groups, supplied them with arms and sent their advisors.

In this context Sun Yatsen, the organiser of the Xinhai anti-monarchic revolution of 1911-1912 and the first president of the Chinese Republic, set himself the task of consolidating the groups which were fighting for genuine independence, democracy and a national revival. Forced by conservatives to resign from the top government post, he nevertheless continued his dramatic struggle. In February 1923, Sun Yatsen became the leader of the government in Guangzhou, which adhered to "three political provisions" formulated by Sun Yatsen himself: alliance with Soviet Russia, alliance with the Communists and support for the workers and peasants.

Militaristic encirclement and the ferocious resistance mounted by internal reaction made reliable armed protection for the revolutionary power an absolute necessity. However, the Guangzhou government could only rely on the troops of the so-called allied army (*lianjun*) which was made up of the Guangdong, Guangxi, Yunan, and a few of the Hunan and Jiangxi generals who supported Sun Yatsen for their own selfish reasons. Their units, like other militaristic formations, were recruited largely from among the lumpens who were attracted to army service because it offered them a chance to loot without fear of punishment. In addition, peasants and coolies were frequently pressed into service. They would take advantage of the first opportunity to desert. These detachments were characterised by their cumbersome and archaic hierarchy, motley collections of outdated weapons, a low level of military training and poor morale. Nor did the officers have great military skill. Primitive military schools and training courses were as a rule used to rapidly

drill officers. Classes were conducted in accordance with abbreviated, obsolete curricula. There was a shortage of skilled instructors: only a tiny fraction of the officers could boast having received full-fledged military training abroad.

Nor did the government in Guangzhou have the material and financial base needed to create its own armed forces. Taxes—approximately 10 million Guangzhou dollars—were its sole source of income; moreover, 85 per cent of this sum was pocketed by the "allied" militarists.<sup>1</sup> The Guangzhou armoury which produced only firearms while nominally at the disposal of the government was actually controlled by the Guangdong generals.<sup>2</sup>

Given this state of affairs it was imperative that a revolutionary army be set up. The task was accomplished thanks to the Soviet Union which gave China friendly assistance in this endeavour.

On August 28, 1921 Sun Yatsen sent a letter to the RSFSR People's Commissar for Foreign Affairs Chicherin in which he expressed an interest in Soviet Russia's experience in the area of military organisation.<sup>3</sup> During talks with Sun Yatsen in Guilin in late December 1921<sup>4</sup>, the Comintern representative in China, G. Maring proposed that an officers' training school be set up. This school would serve as the basis for a revolutionary army. In January 1923, Sun Yatsen engaged in a serious discussion of issues related to the military school with A. Ioffe, head of the Soviet diplomatic mission in Shanghai. The leader of the Chinese revolution stated that he would like to receive help from the USSR in organising an army.<sup>5</sup> In February, on behalf of the Guangzhou government Sun Yatsen asked the Soviet leadership to send military advisors to Guangzhou. In the spring of 1923, a group of advisors was formed, comprised of five students from the Red Army General Staff Military Academy who had gained combat experience during the Civil War in Russia: Y. Cherman, V. Polyak, P. Smolentsev, N. Tereshatov, and A. Cherepanov. Y. Cherman was the first to arrive in Guangzhou in late September, while V. Polyak and M. Borodin, political advisor to the Guangzhou government and the Guomindang, arrived in October. In January 1924, they were joined by N. Tereshatov and A. Cherepanov (P. Smolentsev temporarily remained in Peking at the mission of the military attaché).<sup>6</sup>

Actually, preparations for setting up the school were begun as early as the second half of 1923 when a military delegation with Chiang Kaishek at its head was dispatched by Sun Yatsen to Moscow whither it arrived on September 2. The delegation familiarised itself, among other things, with the Red Army's experience in the area of training military personnel.<sup>7</sup> On November 19, 1923 the Guomindang Central Executive Committee decided to begin to set up a military school immediately after the 1st Guomindang Congress which was slated for January 1924. Apparently, at about the same time "A Plan for the Creation of a Military Training Establishment for the Land Army" (originally called The National Army Officers' School by decision of the Guomindang Central

<sup>1</sup> *China Year Book*, 1928, London, 1928, pp. 1338-1339.

<sup>2</sup> *Materials on the History of the Huangpu Military School, 1924-1927*, Guangzhou, 1982, p. 71 (in Chinese).

<sup>3</sup> See Sun Yatsen, *Selected Works*, Moscow, 1964, p. 343.

<sup>4</sup> *Materials on the History of the Huangpu Military School*, p. 11; Shang Mingxuan, *A Biography of Liao Zhongkai*, Peking, 1982, p. 84 (in Chinese).

<sup>5</sup> See R. A. Mirovitskaya, "The First Decade", in *The USSR's Leninist Policies Towards China*, Moscow, 1968, p. 26; L. Sharman, *Sun Yatsen. His Life and its Meaning. A Critical Biography*, New York, 1973, pp. 157-158.

<sup>6</sup> M. F. Yuryev, *The CPC Armed Forces in the Liberation Struggle of the Chinese People, 1920-1940*, Moscow, 1983, p. 10.

<sup>7</sup> See M. F. Yuryev, *The 1925-1927 Revolution in China*, Moscow, 1968, p. 35; Sun Yatsen, 1866-1966. *A Centennial*; Moscow, 1966, pp. 175-180.



Executive Committee) was prepared.<sup>8</sup> However, Sun Yatsen was of the opinion that preliminary activities should get started in as early as December 1923, upon Chiang Kaishek's return from the USSR. Chiang Kaishek was put in charge of the school as the "main military expert" among those who were closest to the president. But Chiang Kaishek, for his part, was reluctant to mix with the Guomindang "party army" and used every pretext to shirk this responsibility, apparently because he was afraid of harming his relationship with the "allied" generals, and above all with Xu Chongzhi, the commander of the Guangdong army (Chiang Kaishek was chief of staff of this army). It was not until January 16 that Chiang Kaishek yielded to the insistent demands of the Guomindang leadership and Sun Yatsen personally and finally came to Guangzhou where he was appointed head of the committee which laid the groundwork for the creation of the Land Army Officers School, which was officially set up on January 24, 1924.<sup>9</sup> On February 21, without notifying the Guomindang Central Executive Committee, on the pretext of being short of money, Chiang Kaishek voluntarily gave the instructors who had been hired and the other employees one month's pay and, declaring the school closed, departed for Shanghai. On February 23, Sun Yatsen appointed Liao Zhongkai, who had directed the preparatory committee during the two most intensive months of the organisational period, acting chairman of this body. Liao Zhongkai and M. Borodin were personally responsible for hiring the staff of the school.<sup>10</sup>

In February 1924, a joint commission made up of Chinese officials and Soviet advisors under the chairmanship of Sun Yatsen prepared an estimate of the funds that would be needed to set up the school. The figures given by R. Mirovitskaya indicate that the Soviet Union supported the Huangpu school financially until October 1925, in accordance with the wishes of the Chinese.

Approximately 100,000 Guangzhou dollars were spent each month to finance the teaching process and cover the school's other needs (with the exception of arms, ammunition and military equipment).<sup>11</sup> The arms and equipment used by the Huangpu school also came from the Soviet Union. Although Sun Yatsen ordered the Guangzhou depot to allot 300 Mauser guns to the school, it had only three dozen rifles even after two or three months of existence.<sup>12</sup>

The first large shipment of arms from the USSR arrived in Huangpu on October 8, 1924 when the Soviet military vessel *Vorovsky*, delivered 8,000 rifles and 500 cartridges per each rifle to Guangzhou. Later, another 15,000 rifles, machine-guns and pieces of artillery were delivered from the USSR.<sup>13</sup>

Drawing on their experience in Red Army schools the Soviet advisors participated directly in the preparations for the opening and running of

<sup>8</sup> *Materials on the History...*, p. 2. According to other sources, the official name was The School for Officers of the Chinese National Party (Guomindang) Land Army. — See Liu Zhi, *The Huangpu Military School and National Revolutionary Army*. — *Jindai Zhongguo shiliao cunkan*, Col. 82, issue 817, Taipei, 1982, p. 12; Shang Mingxuan, *Op. cit.*, p. 111.

<sup>9</sup> Tao Juyin, *A History of Domination by Northern Militarists*, Vol. 3, Peking, 1983, p. 1311 (in Chinese); Shang Mingxuan, *Op. cit.*, p. 111; *Materials on the History...*, p. 2.

<sup>10</sup> See *Materials on the History...*, p. 2; M. F. Yuryev, *The Role of the Revolutionary Army at the First Stage of the Chinese Revolution*, Moscow, 1952, p. 12; Also by the same author, *The Revolution of 1925-1927 in China...*, pp. 35-37.

<sup>11</sup> See A. I. Kartunova, V. K. Blukher in China, 1924-1927, Moscow, 1979, p. 77.

<sup>12</sup> See *Materials on the History...*, p. 71; F. F. Liu, *A Military History of Modern China, 1924-1949*, Princeton, 1956, p. 15; according to various estimates, the school had from 30 to 500 rifles. See M. Yuryev, *The CPC Armed Forces...*, p. 12.

<sup>13</sup> *Ibid.*, Between October 1924 and October 1926, the USSR shipped 24 aircraft, 157 field cannons, 48 mountain cannons, 128 mortars, 295 machine guns, 73,993 rifles and other armaments and materiel to Guangzhou. See A. Kalyagin, *On Foreign Roads*, Moscow, 1979, p. 13.



the school.<sup>14</sup> By June 1924 there were 25 of them in the army of the Guangzhou government, while by April 1926 the number of advisors had risen to 58.<sup>15</sup> Some of them worked at the Huangpu school full-time<sup>16</sup>, while others conducted special classes and delivered lectures from time to time. They drew up curricula and study plans, made teaching aids and conducted classes, teaching both instructors and cadets. V. Polyak was appointed chief advisor. After his transfer in June 1924 to the main military advisory mission, the group of advisors at the school was headed by A. Cherepanov. Together with N. Tereshatov he organised lessons in tactics, shooting and drills, which were conducted in accordance with Red Army rules. In October 1924, N. Shevaldin, who arrived somewhat later, began working at the school; he was in charge of the same classes. V. Akimov held the post from 1926 to 1927. In October 1924 tactics lessons were taken over by Ya. Pallo, while communications were taught by Kochubeyev and later, beginning in 1925, by M. Dratvin. T. Besschatnov, senior artillery advisor in the Guangzhou group, delivered lectures on artillery; between March and July 1926 the gunners were instructed by T. Borodin. In November 1925, S. Naumov (Kalachev) was appointed chief political advisor to the school. V. Yakovlev supervised instruction on field engineering. In 1926, prior to the beginning of the March to the North, M. Kumanin was chief advisor to the Huangpu school. M. Yefremov, senior advisor to the Headquarters' Chief, became Kumanin's successor in Huangpu. The chief military advisors to the Guangzhou group, the illustrious Civil War commanders P. Pavlov and—after his tragic death, since October 1924, V. Blukher, gave the school a great deal of their attention.

The Soviet specialists had to work in rather difficult conditions. The majority of the Chinese instructors had been educated at old Chinese, European or Japanese military colleges and quite often they did not have the necessary knowledge of theory and were poorly versed in teaching methods. Moreover, there were practically no Chinese instructors in military technology which therefore became the responsibility of the Soviet advisors. They had to overcome the sluggishness, distrust, and at times the downright hostility of the generals who headed the school. Chiang Kaishek returned to Guangzhou on April 4, 1924 and became the director of the Huangpu school, apparently having realised that this position might help his career greatly. He was nevertheless much too busy with political intrigues and showed very little interest in organising the teaching process at the school.<sup>17</sup>

Chiang Kaishek and his proteges did everything they could to impede political work at Huangpu. However, Liao Zhongkai, the school's commissar and leader of the left wing of the Guomindang forces, together with other Guomindangers and Communists sought from the very beginning to instil in the cadets devotion to the cause of revolution. A political department was set up at Huangpu and the right-wing Guomindanger Dai Jitao, was appointed its head. However he turned down the job in protest against the presence of Communists in the Guomindang. Even so, he occasionally paid visits to the school and spoke to the cadets and officers. The sole fruit of his "educational work" was the opening on January 29, 1925 of a branch of the Sun Yat-sen Studies Society which was later to become the stronghold of the anticommunist forces in Huangpu.

<sup>14</sup> See Tao Jyui, *Op. cit.*, p. 1311.

<sup>15</sup> See M. Yuryev, *The CPC Armed Forces...*, p. 11.

<sup>16</sup> The names of five Soviet advisors appear on the list of school employees at the time when the school's fourth class was enrolled—See *Materials on the History...*, p. 514.

<sup>17</sup> See *The Memoirs of Nie Rongzhen*, Peking, 1983, p. 46 (in Chinese).

The character of the school's political organs was primarily determined by Liao Zhongkai and the members of the CPC who were assisted by the Soviet military and political advisors. With S. Naumov's help, a plan to organise the political department was drawn up and endorsed in early 1926; this plan did much to put the political activities at the school in order. Between 1924 and 1925 the political work was headed by a member of the CPC Central Committee's military commission, Zhou Enlai. Political work was also conducted at Huangpu by such prominent figures in the CPC as Yun Daiying, the head teacher of political disciplines and Ye Jianying, deputy director of the education department, as well as Bao Huiseng, Gao Yuhan, Lin Zuhai (Lin Boqu), Nie Rongzhen, Xiao Jingguang, Zhang Qiuren, and Hu Gongliang. In addition, reports were regularly made in Huangpu by CPC representatives such as Zhang Tailei, Liu Shaoqi, Deng Zhongxia, Mao Zedong, Wu Yuzhang, and many others.

The periodicals published by the Huangpu political department served as one of the most important tools for educating cadets politically. At various times the school put out several periodicals: the newspapers *Huangpu chao* (The Huangpu Wave) and *Huangpu rikan* (The Huangpu Daily), the weekly *Geming jun* (The Revolutionary Army), the organ of the Young Soldiers Union of China *Zhongguo junren* (Chinese Soldier), *Junshi zhengzhi youyekan* (Military and Political Monthly) and *Huangpu congkan* (The Huangpu Omnibus). Through these organs and other printed matter, as well as meetings, rallies and lessons on current political events, the political department explained government policies, the tasks facing the national revolution, and the domestic and international situation to the cadets. One of the Huangpu political department's duties was to carry out agitation among the civilian population. Cadets were sent to places around Guangzhou to help peasants organise self-defence units, train them in military skills and disseminate political education materials.<sup>18</sup> Thus, the foundation was laid for a practice that was to play a tremendous role in the future victories of the Chinese revolutionaries. Although Communists were extremely active in the work of the political department, they seldom spoke openly on behalf of the CPC in order to stay on good terms with the Guomindang leadership. Communist cells operated secretly at Huangpu while CPC members acted mostly through Guomindang organisations.<sup>19</sup>

Notwithstanding the hostile propaganda put out by right-wing members of the Guomindang, the Communists succeeded in winning great respect at Huangpu. In late 1924, the cadets Zhou Yiqun, Li Laogong, Wang Bocang, Wu Ming (Chen Gongpei), Xiao Renhu, Wu Zhenmin, Chen Ruo, Xie Xuanqu and others (all were CPC members) set up the Huoxingshe (Spark) Society, named in honour of Lenin's *Spark*. The Huoxingshe had a membership of over 60 cadets from the second recruitment. About 30 cadets from the third recruitment also joined the society. At the start of 1925 six Communists from the Huoxingshe—Zhou Yiqun, Wang Bocang, Wu Ming, Chen Zuowei, Luo Zhenshen, Huang Jinhui—were elected by their comrades to the school's Guomindang committee.<sup>20</sup> It is interesting to note that Chiang Kaishek was outvoted during these elections but nevertheless managed to work his way into the committee after Liao Zhongkai interfered.

When the student members of Huoxingshe had completed their studies, the society was automatically dissolved; on February 1, 1925 a branch of Young Soldiers' Union of China was opened at Huangpu under the

<sup>18</sup> See *Guomindang Congresses and Conferences*, the Sun Yatsen University's Research Institute on China, Moscow, 1928, pp. 205-211.

<sup>19</sup> See *Materials on the History...*, p. 4.

<sup>20</sup> *Ibid.*, pp. 114-115.

leadership of Communists. On the day it was founded, it had a membership of 2,000 of which 600 were Huangpu cadets.<sup>21</sup>

Throughout its existence, as Soviet aid to the Huangpu school increased and new military advisors arrived, the scope of its activity expanded and changes were made in the way the school was organised. In addition to the political department the Huangpu apparatus now consisted of the following departments: educational, instructor's, management, supply and military-medical. In November 1924, two more sections, specifically, military legal (responsibility for it shared by Zhou Enlai) and the staff one were introduced, as was the post of the head of the education and training section. The first recruitment which numbered around 400 was trained as infantry officers; they began their studies on May 5, 1924,<sup>22</sup> that is prior even to the official opening of the school. The second recruitment—some 500 cadets who began their studies on November 1, 1924—was subdivided into infantry, artillery and engineering groups and also (perhaps somewhat later) into logistics and military police groups. The third recruitment (early 1925) had cavalry groups<sup>23</sup> and numbered 800 cadets all in all.<sup>24</sup>

The complexity and dynamic development of the military and political situation resulted in repeated alterations in the composition and overall number of students even within the period that a single class spent at the school. For example in November 1924 220 cadets from the Hunan Military school entered the Huangpu school.<sup>25</sup> Although the officers' academic year lasted from 6 to 9-12 months, some of the cadets who had completed their training were occasionally retained so that they could help train the classes below them.<sup>26</sup> But more often than not the urgent need for military personnel compelled the school to graduate the cadets ahead of schedule. The school also offered a wide range of short-term courses and trained non-commissioned officers.

In August 1924, the first recruitment graduated; under the direction of Soviet advisor V. Stepanov two drill regiments modelled after Red Army rifle units were urgently formed. Each of these regiments was staffed by 16 political commissars from among the Huangpu graduates (12 commissars per each company, 3 in each battalion and one in charge of the entire regiment).<sup>27</sup>

The newly-formed detachments and the cadets had to go into action in as early as October 1924. They played a decisive role in suppressing an uprising against the Sun Yatsen government staged by the corps of merchant militia. During the uprising the Guangzhou government stayed at the school under the protection of the cadets. The Huangpu school served as government headquarters at times of crises on more than one occasion.

The defeat of one of the major internal counter-revolutionary groups and the formation of the revolutionary army's backbone (by November 20, 1924 the first drill regiment had been formed, and by January 1925 a second was in place) enabled the Guangzhou government to begin a planned expansion of the territory under its control. February 1925 saw the First March to the East during which the troops loyal to Britain's

<sup>21</sup> *Ibid.*, p. 332; M. F. Yuryev, *The 1925-1927 Revolution in China*, pp. 245-249.

<sup>22</sup> See Liu Zhi, *Op. cit.*, p. 1; Shang Mingxuan, *Op. cit.*, p. 112.

<sup>23</sup> See *Materials on the History...*, pp. 5, 550.

<sup>24</sup> See M. F. Yuryev, *The 1925-1927 Revolution in China...*, pp. 40-41. One Chinese source based on archival materials indicates that the first three recruitments contained 645, 499 and 1,233 men respectively.—See *Materials on the History...*, p. 93. Data from other sources differ radically from those cited here.—See *Guomindang Congresses and Conferences...*, p. 205; F. F. Liu, *Op. cit.*, p. 9; Liu Zhi, *Op. cit.*, p. 9.

<sup>25</sup> See A. I. Kartunova, *Op. cit.*, pp. 73-75, 77.

<sup>26</sup> *China in the 1920s. Nationalism and Revolution*. New York.—L., 1976, pp. 76-77.

<sup>27</sup> See A. I. Kartunova, *Op. cit.*, p. 77.

protege, Chen Jiongming, were driven from Guangdong Province. The operation was carried out successfully thanks to the 3,500 soldiers from Huangpu. The Peking-based bourgeois newspaper *Chenbao* commented: "The fighting was mainly led by the Huangpu detachments. Along the entire route of the March political explanatory work was conducted and peasant rallies attended by 5 to 6 thousand people were organised where graduates of Huangpu delivered revolutionary speeches. At present the whole theatre of operations is under the influence of this propaganda."

The victory over Chen Jiongming created the prerequisites for the further strengthening of the Guangdong revolutionary forces. However, the death of Sun Yatsen on March 12, 1925, generated the hopes among the reactionaries about the downfall of the democratic government; coming soon in May and June there was a *putsch* in Guangzhou, staged by Yunyan and Guangxi militarists. The Huangpu units were instrumental in defeating it.

The 1925-1927 Revolution signalled the start of a new stage in the development of the Huangpu school. On July 1, 1925 the National Government of the Chinese Republic was proclaimed in Guangzhou, which became the main base of the revolution. Soviet advisors worked out plans for the reorganisation of the government troops into the National Revolutionary Army (NRA) with a single command and unified structure, in accordance with a decision made at the plenary meeting of the Guomindang Central Executive Committee on June 15, 1925.<sup>28</sup> The reforms in the military sphere the government had planned to carry out were largely implemented. On February 18, 1926, the National Government decided to turn the Huangpu school into the Central NRA Military-Political School which was to bring together all of the military training centres heretofore attached to separate military detachments. The position of deputy school director was created and recruitment departments (initial training) were set up. In addition, an operations section, a military and technical department, research into armaments and an editorial section were also set up. The military-medical section was transformed into a department, while the supply section became the quarter-master department. A group for training high-ranking officers began to work. There also appeared signal, radiocommunication and aviation classes.<sup>29</sup> In February 1926 500 future political workers began their studies on the basis of a curriculum developed with the help of I. Razgon, A. Cherepanov, V. Stepanov, V. Rogachev and I. Mamayev. The school's fourth recruitment numbered 2,558.<sup>30</sup>

While the graduates of the first three years were dispatched exclusively to the Huangpu drill regiments united in the 1st Corps with the National Revolutionary Army, the fourth year graduates were designated for other units in the National Government's Army as well. This is how the advanced principles underlying the training of army personnel were applied to the whole of the NRA. The experience in setting up political organs and conducting political work gained at the Huangpu school was brought to the army.

However, the school's cadets and the 1st Corps of the NRA remained the most reliable foundation of revolutionary power. In August 1925, they were entrusted with disarming the Guangdong militarists who were at

<sup>28</sup> Zhang (Xiang Gang), 1975, No. 6, p. 5.

<sup>29</sup> See *Materials on the History...*, p. 3. Apparently, the pilots' training college which had formerly been part of the aviation directorate also came under the authority of the Central School. Guangzhou hosted a Soviet air force team—about 20 people—who, apart from carrying out their military mission, trained Chinese pilots and technicians.

<sup>30</sup> M. F. Yuryev, *The 1925-1927 Revolution in China...*, p. 243. The report to the 2nd Guomindang Congress indicated that between September 1925 and February 1926, nearly 3,000 cadets graduated from the school. See *Materials on the History...*, p. 205. Other sources say that fourth recruitment numbered 2,654 (p. 93).



that time hatching a plot against the left-wing forces in Guomindang. The Huangpu graduates also did well in October-November of the same year during the Second March to the East against Chen Jiongming and his allies who had renewed their counter-revolutionary activities.

The military successes scored by the NRA consolidated the position of the National Government which began getting ready for the March to the North; its aim was to liberate China from militarist cliques. The plans for this campaign were drawn up by a group of Soviet military advisors headed by V. Blukher as they had been for all the previous campaigns. However, early in the spring of 1926, the conditions for the development of the revolutionary process in the country had changed. The first stab in the back was delivered by Chiang Kaishek. On March 20, on the pretext of preventing an impending "communist coup", he arrested nearly 50 Communists who were political workers and officers on the staff of the Huangpu School and in the 1st Corps.

Chiang Kaishek had long been contemplating bringing an end to CPC influence in the army and government. He and his assistants succeeded in setting up a network of counterrevolutionary groups at the Huangpu school and in the 1st Corps. Several years later the members of these groups constituted a reactionary faction in pro-Chiang Kaishek Guomindang which assumed the school's name.<sup>31</sup> Nevertheless, a significant portion of the Huangpu staff did not support the coup, a fact which attests to one of the reasons for its failure. Besides, the would-be dictator thought better of it in the nick of time: a complete divorce with the CPC and the cessation of Soviet aid would have posed a threat to the March and the ambitious plans Chiang Kaishek had linked to it. He succeeded only in removing the Communists from the 1st Corps and Guomindang leadership as well as in knocking together a government dominated by right-wing Guomindang leaders. Chiang Kaishek himself grabbed several top party and government posts.

Nevertheless, the national revolution, actively supported by the Chinese working people and the Soviet Union's selfless support continued. In July 1926, the NRA launched its famous March to the North. By the time the March began, the Huangpu school had trained about 6,000 officers, while the total number of Huangpu graduates participating in the March was 7,800.<sup>32</sup> The victories won during the March were largely the work of the units and divisions influenced by communists and left-wing Guomindang figures. By March 1927, the NRA had a third of the country under its control, specifically ten provinces in southern, central and eastern China. In addition to the Huangpu school detachment formed in December 1925 in Huzhou, detachments from the Central Military-Political School in Nanking (in Guangxi province), Changsha (in Hunan province) and Wuhan (in Hubei province) were set up during the campaign.

But the reactionary coup staged by Chiang Kaishek in April 1927 resulted in a series of defeats for Chinese revolution. On April 12, Chiang Kaishek issued a number of orders entitled "On Preventing Reckless Pronouncements and Unseemly Behaviour among Huangpu Cadets" and "On Prohibiting Huangpu Cadets from Taking Part in Meetings" which was directed against the members of the CPC and left-wing Guomindangers at the school. The bloody *putsch* on April 15 was followed by the events of April 18 in Huangpu which ended in the arrest of more than 400 revolutionary instructors and cadets. Quite a few of them, like Xiong Xiong and Xiao Chunyu, fell at the hands of butchers. Many of the Huangpu graduates continued the struggle in the ranks of

<sup>31</sup> In F.F. Liu, *Op. cit.*, pp. 228, 244.

<sup>32</sup> See M. F. Yuryev, *The CPC Armed Forces...*, p. 12; in *Materials on the History...*, the total number of cadets in the five recruitments is estimated at 7,399 (p. 93).



the CPC and later became prominent officers in the People's Liberation Army of China, and party and government officials in the PRC.

In June 1984 China celebrated the 60th anniversary of the Huangpu school. The celebration's motto was "Develop the Spirit of Huangpu, and Make a Contribution to the Unification of the Motherland and the Development of China."<sup>33</sup> On June 16, there was a gathering to mark the occasion in Peking. It was attended by representatives of the party and the state, namely, Politburo member Xu Xiangqian, member of the CPC Central Committee's Secretariat Xi Zhongxun, deputy chairman of the CPC Central Committee's Military Council Yang Shangkun, Deputy Chairman of the People's Political Consultative Conference of China (PPCCC) Chen Zihua, and other high-ranking officials, as well as former Huangpu cadets, both residing in the PRC and those who came from abroad. At the gathering the Society of Former Huangpu Cadets was founded and rules were adopted. Twenty-six people were elected to the Society's board, including Xu Xiangqian (chairman), member of the CC CPC Politburo Nie Rongzhen and deputy chairman of the PPCCC, Xu Deheng (advisors), and former Guomintang generals Zheng Dongguo, Hou Jingru, Song Xilian and Li Moan (deputy chairmen).

Speakers at the gathering recalled how the CPC and the Guomintang had worked together during the first united front in the 1920s and at the time of the second union of the two parties in 1937, undertaken to resist imperialist Japan's aggression. An appeal addressed repeatedly and directly to Jiang Jinguo was voiced unequivocally in all of the speeches: "Cooperation must be established for the third time between the CPC and Guomintang, cooperation which would have as its ultimate goal the peaceful unification of compatriots separated by the strait."<sup>34</sup> These words, which were intended to emphasise the historical continuity of cooperation between the Chinese patriotic forces in the struggle to attain national goals, testifies clearly to the fact that the PRC saw the celebration of the Huangpu anniversary as an opportunity to bring moral pressure on the ruling quarters in Taiwan. The respect enjoyed by school's graduates, many of whom are now quite influential in foreign-based Chinese communities, was a means of pressure.

The Soviet people have always sympathised with the PRC's justifiable desire to secure its sovereignty over the island of Taiwan. Naturally, the quest for political ways to solve this urgent domestic problem which now faces China is quite reasonable. At the same time it is clear that current political issues, whatever their importance, should not act as a smoke-screen, concealing historical truth in all its completeness. Unfortunately, the fact that the first united front of the two parties was based on Sun Yatsen's "three political provisions", an integral part of which was alliance with the Soviet Union, was reflected neither in the speeches at the gathering in honour of the 60th anniversary of the Huangpu School nor in the reports which appeared in the Chinese press on this outstanding event and the once-positive experience in cooperation between the CPC and Guomintang. The national liberation of China was achieved between 1925 and 1927 thanks largely to the comradely assistance provided by the Soviet Union and the creative application of, as Sun Yatsen put it, "Russian revolutionary methods". This is how the great revolutionary and democrat referred to the experience of the Leninist Party and the Red Army which Soviet political and military advisors shared generously with his comrades-in-arms. It was at this time that the groundwork was laid for friendly relations between the two great nations, and for the further material and moral support provided by the Soviet Union during the most difficult periods in China's history.

<sup>33</sup> *Renmin ribao*, June 13, 17, 21, 1984.

<sup>34</sup> *Renmin ribao*, June 17, 1984.

PRC: PROBLEMS IN DEVELOPMENT OF NATIONAL LANGUAGE

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[Article by A. A. Moskalev, candidate of philological sciences: "The Problems of National Language Development in the PRC"]

[Text] At the beginning of the 1980's, the process of re-establishing the activity of research institutions, scientific societies, academic institutions, publishing houses and similar organizations, connected in one way or another with national language development, began in the PRC. The first stage of this work took place in the 1950's, more precisely from the beginning of the 1950's to the end of 1957. This short period, called the "golden age" of ethno-linguistic work in the Chinese press in recent years, is known to have given way to long years of stagnation and disruption, and "the supreme disaster," as Chinese writers have called it, for China's national languages. This situation existed until the end of the 1970's, when definite shifts in language policy were noted. From 1980 to 1985 there were a number of noteworthy events in the area in question.

"Should National Languages Flourish and Develop in the Period of Socialism?"

It was with this specific question that the well-known Chinese linguistic researchers Ma Xiueliang and Dai Qingxia began their joint report at the Third All-China Conference on National Languages (1980). Certain Chinese authors felt that this approach was simply a discussion of truisms. However, the need for it was obvious in view of the widespread leftist ideas that national oral and written languages were useless, that national languages had supposedly already begun blending with Chinese, and so forth. As many Chinese authors noted, great effort was required to erase the harmful effects of this deviation from the public mind. After all, some people (including some leading cadres), as Ma Xiueliang and Dai Qingxia testified, "still underestimate the role of national languages and do not understand why it is necessary to develop national languages and writing systems in all possible ways in the period of socialism, thinking that the use of national languages can only create extra problems."<sup>1</sup>

Reporting that national languages, like the non-Han nationalities themselves, have by no means left the scene during the period of socialism, Chinese

scholars cite V. I. Lenin's words about the relative stability of national differences and the equality of nationalities and languages. The development of a national language is also connected with the tasks of the "Four Modernizations." Emphasizing the role of national languages in the life of non-Han peoples, Chinese linguists remind us that in Xinjiang or Tibet, for example, "not only do the popular masses as a whole not know the Chinese language, but even most lower cadre workers only know the language of their "non-Han" nationality and do not speak Chinese."<sup>2</sup>

Today the position of PRC scholars is very different from their position at the time of the "Great Leap Forward" and the "Cultural Revolution," when the development of national languages was perceived only in terms of their adaptation to the Chinese language. To this end, special theories were also developed. The essence of them was that "one of the most important indicators of the development of the language of an ethnic minority is its assimilation of elements of the Chinese language, and its falling under the influence of the Chinese language." "The enrichment and changes caused by the influence of the Chinese language became the main component in the development of all ethnic minority languages. Therefore, the development of the languages of all nationalities in the country had a general tendency toward convergence with the Chinese language as the criteria of development."<sup>3</sup> Similar theories are now being rejected by Chinese linguists. It has been noted that in the national languages there may be adoption from Chinese (up to 60 percent of the words in the Bai language are Chinese), and that changes in syntax may also take place under the influence of the Chinese language. In the Bai language, the Chinese word order (subject--verb--predicate) has replaced the ancient word order (subject--predicate--verb). But all of this "cannot usually change essential features of languages." "We suggest that the historical period of socialism is a period of the blossoming and development of all nationalities in our country and this also pertains to their languages." It is necessary to correctly acknowledge the dialectical connection between factors influencing languages from without (including the Chinese language) and "its internal development according to the rules," "in order to properly develop national languages." Accepting the inevitability of the convergence of nationalities, which is reflected in their languages, the author of one article emphasized that the main tendency in the period of socialism is the flowering of national languages and that the process of linguistic convergence is the reflection of a secondary tendency, and not the main tendency.<sup>4</sup>

Chinese experts on national languages and representatives of non-Han ethnic groups are now advocating the creation of conditions in the country which will provide for the development and blossoming of national languages. This huge and very important task is connected, as Chinese scholars emphasize, with the resolution of many highly complex problems: the further development of national writing systems for peoples without written alphabets, the eradication of non-Han illiteracy, the expansion of the operational sphere of national languages and writing systems, the training of personnel, the development of publishing in national languages and so forth. Many in the PRC write about the need for non-Han language rights, and plans for ethnolinguistic development, but this will not be so easy. Work on the restoration and development of national languages can entail serious difficulties and problems.

"To Eliminate Discrimination Against, Indifference Toward, and Disregard for the Oral and Written Languages of Ethnic Minorities"

At the beginning of the 1980's, Chinese linguists wrote that little had changed with regard to the use of national languages in certain regions and that national languages remain in the background, just as they did during the "Cultural Revolution." In the words of linguist Yang Zhengwang, although certain positive changes have been noted in ethnolinguistic work since the removal of the "Gang of Four," "the lack of respect for the languages of ethnic minorities still exists." Yang Zhengwang believes that, citing a statement by Zhou Enlai, in national autonomous regions, "the writing systems of the main nationalities must be the primary writing systems," but the actual situation far from satisfies this requirement. Even now, many institutions having direct contact with the non-Han population are not fully manned with personnel able to speak the national language, and instruction in the schools is in the Chinese language. In some places there are no radio broadcasts in the national language, no publishing, and no literature published in the national language, and this is far from responsive to the demands of the popular masses. In the opinion of Yang Zhengwang, in order to protect the right of the non-Han peoples to use and develop their own languages and writing systems, it is necessary to concretely and legally support the relevant position of the constitution and suppress illegal actions. "Only in this way will it be possible to fundamentally eliminate the discrimination against, indifference toward, and disregard for the languages and writing systems of national minorities."<sup>5</sup>

Certain non-Han representatives at the NPC session in 1980 expressed very specific opinions on the status of national languages. The Tibetan representative (the Panchen Lama) pointed out the fact that in the Tibetan Autonomous Region "the Chinese language is used in the majority of documents published by leading organs; the lower cadres and popular masses do not understand these documents, but the Tibetan language is nevertheless not being used. When cadre skill levels are being verified and when applicants for jobs or academic institutions are being interviewed, no consideration is given to the Tibetan language, and however fluent the person might be in Tibetan, he is still considered to be 'illiterate.' As a result, many refuse to study the Tibetan language and it is being outright smothered in Tibet." In a speech by another representative it was noted that "a great deal of attention has been paid to the question of using national languages and writing systems in the center and in the provinces; however, without concrete active measures, the use of national languages and writing systems will never be put into effect."<sup>6</sup>

Certain measures were subsequently taken to surmount these difficulties in PRC national autonomous regions. As linguist Sun Hongkai wrote at the end of 1983, "Some kind of system has now been established in all autonomous regions to regulate the use of two or more languages as legal operating languages in the region, with consideration for the actual situation in the region." The procedures have not been carried out in some regions, however, due to the lack of translators and personnel fluent in the national languages. Moreover, "certain leading comrades are avoiding problems"



and are therefore not giving the use of national languages the required attention. As a result, the activity of institutions is ineffective since the non-Han masses do not comprehend the political aims of the party. For this reason, additional steps to use local institutions to this end have been suggested. As Sun Hongkai stressed, it will be necessary, first of all, to create conditions supporting the non-Hans in their capability to use their mother tongue, without which it is impossible to study the "prospects for the development of national languages."<sup>7</sup>

It is impossible to say that party committees and governments of autonomous regions are ignoring all of this. Decisions have been made on ways of correcting the situation. At a meeting called by the Secretariat of the CCP Central Committee in spring 1984 to discuss the situation in Tibet, it was again emphasized that "it is necessary to give the necessary attention to the use and development of the languages and writing systems of national minorities." At the meeting it was acknowledged that there were very serious obstacles "to the use and development" of the Tibetan language. Such things (obstacles) arise as a result of leftist opinions which have not been eradicated yet. The problem of the Tibetan language was examined at an extended session of the Party Committee of the Tibetan Autonomous Region. First Secretary In Fatang of the Tibetan Party Committee noted at the plenum that it will be necessary to gradually ensure that the Tibetan language becomes the main language in the autonomous region. It is not difficult to see that the Tibetan language still does not really have equal status with Chinese in Tibet. Dissatisfaction with this situation was voiced once again, just as in 1980, by Tibetan delegates at the May 1984 NPC session and by the Panchen Lama in April 1985. The right of non-Han peoples to freely "use and develop" their native languages was reaffirmed in the PRC law on national autonomous regions of 1 October 1984. Of course, it is important, as PRC Vice President Ulanhu stressed, that the new law be enforced "without any discounts"; otherwise, it will be "a meaningless piece of paper."<sup>8</sup>

#### "The Use of National Written Languages Is Gradually Being Revived"

The issue of national written languages is still an issue of the most vital importance to many non-Han nationalities in the PRC. It has been calculated that there are more than 80 languages in the PRC and that the majority have no written system.<sup>9</sup> Many non-Han nationalities are therefore making increasingly persistent demands for their own written alphabet. Others demand a return to the use of ancient national writing systems, which were "modernized" or forcibly replaced with the "Romanized" alphabet, standardized with the Chinese "Pinyin" transcription alphabet, without the consent of the non-Hans. The non-Han groups with their own alphabet are demanding the creation of the necessary conditions for its broader use. The nationalities for which alphabets were created in the 1950's are demanding the most rapid revival of their interrupted dissemination. Finally, nationalities speaking languages with sharp or significant dialectic differences are demanding the creation of a writing system for their dialect, etc. This was the situation in the beginning of the 1980's.

What is the position of the Chinese organs responsible for ethnolinguistic work on the issue of the creation of new written languages? This question is



often raised at scientific conferences, in articles by leading Chinese linguists and by the Chinese press. At the Third All-China Scientific Conference on National Languages, participants recognized that "the majority of ethnic minorities require a writing system"; some speakers at the conference suggested the creation of these systems, but no clear-cut explanations followed these demands. The focus of attention was on "summing up results," "learning lessons" and so forth.<sup>10</sup>

Professor Wang Jun, a well-known linguist, also spoke on the issue of national writing systems. In an article he noted three types of possible national writing systems corresponding to the conditions of the language situation of non-Han peoples of the PRC: a writing system specifically intended for all nationalities, dialect writing systems and transliteration writing systems used within the limits of relative small regions. In principle, this is not a new approach; it is somewhat similar to that of the 1950's. At the time, the use of this differentiated approach was blocked by the "Great Leap Forward" (although it is true that several alternative written dialect alphabets were developed for the Miao language). Wang Jun also admitted that several nationalities without a written language were "demanding a written language."<sup>11</sup>

In general, however, there appear to be unjustifiable delays in this work. In the middle of the 1950's, Chinese specialists displayed a high level of enthusiasm in this field and the development of new national written alphabets was then one of the important areas of their theoretical and practical work. Today there is an abundance of theoretical discussion in this field, but practical work is obviously far short of the previous level. One of the most important people in this sphere of ethnolinguistic development, Professor Fu Maoji, noted that "the use of national writing systems, interrupted during the 10-year disruption, is steadily being revived." After broaching the subject, however, he again only mentioned that "certain nationalities experimented with the Latin alphabet, others tried to use Chinese characters or the alphabets of other neighboring nationalities, and still others, after consenting to use the Chinese written language, are still hoping for a written language of their own for the transcription of their folk tales, poetry, songs and plays." The abovementioned systems based on the Latin alphabet were written languages developed in previous years. It is therefore obvious that the development of written languages for ethnic minorities is not a central link of ethnolinguistic development in the PRC even in the 1980's, although the problem is just as acute as ever.

Recent work in this field in the PRC has entailed only the experimental dissemination of the proposed written languages developed in the 1950's (usually within the confines of small territorial units), and only a few have been partially updated. In 1980 the Guangxi Zhuang Autonomous Region Party Committee decided to resume the dissemination of the written Zhuang language. As Tan Yaoting, deputy chairman of the Committee on the Languages and Alphabets of the Guangxi Zhuang Autonomous Region, noted, the reinstatement of the written Zhuang language is still being opposed in the region, and it is obvious that this is mainly Han opposition, because, as Tan Yaoting said, the revival of the Zhuang written language "expressed the genuine desires of

the Zhuang population of over 10 million." Some people say, Tan Yaoting remarked, that "most of the Zhuangs can already speak and read Chinese and there is therefore no need for a Zhuang written language; others say that there are sharply differing dialects in the Zhuang language and a single written Zhuang language cannot serve all of them; still others assert that the Zhuang written language has no future." In reality, as Tan Yaoting commented, the majority of Zhuangs do not speak Chinese and, therefore, the "Zhuang people urgently need a written Zhuang language."<sup>12</sup> It is impossible not to agree with this. When the author of this article was in Guangxi on a scientific expedition in 1958-1960, he personally saw how enthusiastic the Zhuangs were about their writing system, which was developed in the 1950's and performed its function successfully.

The work of disseminating projected written languages for the Miao, Buyi, Kam and Yizu groups in Guizhou Province was resumed in 1981. By the end of 1983 there were 456 communities where the people of these four nationalities were being taught to read and write as part of an experiment with seven possible writing systems. In all, 20,000 people were being taught in these communities. In February 1985 the number of communities rose to 1,100 and the number of people being taught approached 50,000. Of course, this is still an insignificant number for a province with such a large non-Han population and there is still much work to be done.

The inclination of some non-Han nationalities to revive the use of their ancient written languages has been noted recently. For example, a night school was founded in the Jinpin district of Yunnan Province for the local Tais. Here they are able to study a special Tai writing system, based on the ancient Indian alphabet and differing from the Tai written language used in the Sipson Panna (Xishuang Banna) autonomous district and from other written Tai languages in Yunnan Province. The school was founded in response to the insistent demands of the Jinpin Tais.

The Liangshan Yizu in Sichuan also achieved the reinstatement of their old written language (it was updated only slightly). The Yizu masses were quite pleased with this.<sup>13</sup>

The old written languages of the Uighurs and Kazakhs in Xinjiang (with an Arabic script) were also reinstated. They stopped being used in 1976, when they were replaced by the Romanized alphabets and writing systems, so unpopular with the public, standardized with the Chinese written language based on the "Pinyin" transcription. In 1982 the Xinjiang Uighur Autonomous Region NPC Standing Committee decided that "the experience of the past few years has proved that conditions are still not right for the dissemination of the new Uighur and Kazakh writing systems in the autonomous region."

According to Wang Jun, the Yunnan Tais from Sipson Panna district also demanded the reinstatement of their previous written language. As the Tais themselves said, their new system (that is, the one "perfected" in the 1950's) "disrupted historical continuity," did not contribute to the assimilation of the cultural heritage and "cut off communications between people with a single language and system of writing in China and abroad."<sup>14</sup>

Therefore, people in the PRC today are confessing either directly or indirectly that the previous reforms of national written languages and their "improvement" were conducted without any regard for the opinions of the non-Han peoples or the harm to their cultural development. This erroneous policy is now being corrected to the satisfaction of the non-Han nationalities.

#### "Education Should Be Conducted in the Native Languages"

In 1981 Professor Wang Jun wrote that "we have not been able to eradicate illiteracy in ethnic minority regions over a period of 30 years." In the words of Ma Xiuliang, "illiteracy and semiliteracy are still and extremely serious problem among some fraternal nationalities." This scholar concluded that this could put even the accomplishment of the "Four Modernizations" in question.

What measures can be taken in the PRC to eradicate illiteracy in the non-Han population of the country as quickly as possible? This is not a simple matter. It is complicated by the fact that, as Jiang Ping (deputy chairman of the State Commission on Nationalities Affairs) and Huang Zhu acknowledged, "the cultural and educational backwardness of ethnic minorities is still not being given enough attention." The main cause of this backwardness is thought to be the inadequate financing of education for the non-Han population and the use of resources allocated for education for other purposes by the authorities of national regions.<sup>15</sup>

This, of course, is not the only concern. It is known that until recently instruction in public schools was almost exclusively in Chinese. The results of this were pitiful. Students did not understand the explanations of their Chinese teachers and most of them were still semiliterate when they graduated. The important role of national languages in the resolution of the acute problem of illiteracy in the non-Han population, however, is no secret. It has been established that just instruction in the native language is enough (at least in elementary school) to ensure the rapid and sound assimilation of the fundamentals of knowledge by schoolchildren. Now this fact is even being admitted in Chinese newspapers and magazines.

We should recall that the rate of illiteracy and semiliteracy in the PRC, according to the latest census, is 23.5 percent. The figure is much higher for the non-Han population. Furthermore, it fluctuates widely in various regions due to geographic factors, the presence or absence of a written language and so forth. Figures cited in the Chinese press usually refer to the rate of illiteracy among non-Hans in a specific national region.

Yunnan Province--more than 50 percent of the 100,000 national cadre workers are illiterate or semiliterate, and around 90 percent of the non-Hans between the ages of 12 and 40 in border and internal alpine regions are illiterate; the rate of illiteracy is quite high among young people of the Yizu nationality in the province's Chuxiong-Yi autonomous district (54 percent and higher). Guangxi-Zhuang Atonomous Region, Donglan district (the old revolutionary base)--in one of the surveyed large brigades consisting of 1,240 people between the ages of 7 and 33, 551 were illiterate, only 33 percent of the school-age



children were going to school, and enrollment figures had dropped even more after the new forms of labor organization in rural areas motivated parents to simply refuse to send their children to school because they needed the extra pairs of working hands at home; the old belief that girls have no need for education whatsoever is still widespread.

According to Anwar Hanbab, the vice chairman of the CPPCC Committee of the Xinjiang Uighur Autonomous Region, illiteracy is still a complex problem in Xinjiang. The rate is 18.5 percent for people under 40. Furthermore, there is a shortage of teachers and educational standards are quite low.<sup>16</sup>

Progress in eradicating illiteracy has been noted precisely in the regions where this work is conducted using national languages. In the Xide district of the Lianshan-Yi autonomous district (Sichuan Province), 98 percent of the non-Han population was illiterate. Attempts to eradicate illiteracy instruction in Chinese were unsuccessful. But when this work began to be conducted using the local Yi writing system, illiteracy was soon eradicated among approximately 85 percent of the population, and more than 90 percent of the lower cadres "achieved the level of elementary school graduate." Obviously, these data are not completely accurate, since RENMIN RIBAO reported in August 1983 that 80 percent of the Yi cadres had learned to take notes at meetings using the Yi written language, and that around 300,000 Yis in all (that is, apparently less than a third) in the Lianshan-Yi autonomous district had already mastered their written language.

A campaign to eradicate literacy with the use of a modified Zhuang written language was reported in 1983 in the Guangxi Zhuang Autonomous Region (also in the nature of an experiment). Over the next 2 years more than 3,700 people were trained as teachers of the Zhuang language. In the Wuming and Debao districts where the experiment was conducted, illiterate Zhuangs mastered the Zhuang written language over 60-70 evenings and can now use it to record folk songs and can read a Zhuang newspaper and popular leaflets.<sup>17</sup>

Experiments of another kind are also being conducted. Despite the lack of success in the direct teaching of Chinese to non-Hans, this is still being practiced. What is more, more efficient teaching methods are being sought. In particular, special courses have been set up for "accelerated cultural development." In the Yushu-Tibet autonomous district of Qinghai Province, "accelerated teaching methods" are being used in the local party school for instruction in the Chinese oral and written languages, and the classes are conducted for 12 hours a day. Although in 1981, at the Third All-China Conference on the Education of National Minorities, the "course, policy and objectives" in this area were determined and specifically indicated that the education of nationalities with their own writing systems must be conducted in the languages of these nationalities, the Chinese press reports that the education of the non-Han population in native languages is still rare.<sup>18</sup> Therefore, these principles are still not being implemented in full.

In the national regions where instruction in the schools is conducted in Chinese, national languages are used in some places as an aid when non-Han students have difficulty understanding the material in the Chinese language

or do not understand what the teacher is saying in general.<sup>19</sup> This use of the national languages (exclusively the oral language) is warranted not only when there is no written national language but also when there is a written language but its use is still limited (as in the case of Zhuang). The main problem is that of training teachers of these nationalities. This matter has been given more attention recently.

Publishing in national languages is somewhat more lively. In Xinjiang the local National Publishing House publishes literature in four national languages: Uighur, Kazakh, Mongolian and Sibo. Printed materials are issued in several national languages in Yunnan Province.

In Guizhou textbooks and other printed materials will be published in Miao, Buyi, Kam and Yizu. According to 1984 data, 2,327 titles in national languages with a total printing of 33,580 copies have been published in the PRC.

#### "A New Situation in the Study of National Languages"

Since the end of the 1970's there has been a revival of scientific research into the languages of the non-Han groups in China. In May 1979 the Society for the National Languages of China was founded. In the words of its chairman, Professor Fu Maoji, the establishment of the society "will make a new situation in the study of national languages possible." The function of the society is to promote research into national languages in China and serve as a coordinating center for these research projects. That same year the specialized scientific journal--MINZU YUWEN ("National Languages and Writing Systems")--began to be published. We have noted that there was no separate publication of this kind in the PRC before this time. The creation of the Chinese Linguistic Society in Wuhan in 1980 also made a contribution to the study of national languages. In the reinstated periodical YUYAN YANJIU ("Linguistic Research"), published in Wuhan by the Chinese Linguistics Institute of the Technology Institute of Central China, a section has also been set aside for studies of the non-Han languages of China. In August 1980 the Society for the Study of Ancient National Writing Systems in China was established in Chengde (Hebei Province), and Fu Maoji became its chairman as well.<sup>21</sup> In addition to the all-China societies, local societies began to be set up to study individual national languages or language groups. In Xinjiang the Society for the Sibo Language was founded, in Inner Mongolia--the Society for the Study of the Mongolian Languages of China, and so forth.

After a long interval (more than 20 years), there was a renewal of scientific conferences on national languages. Some 22 years after the Second All-China Conference on National Languages, the third conference was convened on the initiative of the Nationalities Affairs Commission and the Chinese Academy of Social Sciences. The conference was described in the PRC as an important event, signifying a "return to order" in the ethnolinguistic work. It is important that conference speakers acknowledged the errors in the directions of the second conference, which had such ruinous effects on the ethnolinguistic development of the country and the whole sphere of ethnolinguistic research. At the third conference there was talk about the previous tendency, due to the interference of the so-called "leftist deviations" in ethnolinguistic work, to constantly exaggerate the "common features" of national



languages and ignore their specifics. Linguists who remarked on the complexity of dialects in a particular language were accused of the heresy of deliberately emphasizing linguistic differences in an attempt to "cause a national schism." It was also noted that the creation of dialect writing systems was considered harmful to "the assimilation of nationalities."

The scientific symposium on national languages, organized by the Society for National Languages in China (Beijing, December 1980), was a useful conference on the all-China scale. The All-China Scientific Symposium on the Zhuang-Kam, Tibeto-Burman and Miao-Yao Languages also warrants mention. The written report distributed at the symposium by Fu Maoji dealt with the three aspects of the study of national languages in China where Chinese linguists had fallen far behind or had committed serious errors and omissions. In the 1950's the work "was far from uniform." In the opinion of the report's author, it is necessary to continue studying the national languages of China and to conduct more active investigations of the genetic relationships of languages in China and sociolinguistic research into national languages. In reference to the genetic relationships of languages, Fu Maoji put the exclusion of the Zhuang-Kam and Miao-Yao languages from the Chinese-Tibetan family in the "debatable" category. In this past, this was considered to be absolutely indisputable in China. Therefore, even here there have been definite changes in the approach to certain important issues.<sup>22</sup>

In the national regions, regional scientific conferences and symposia are being held on local languages. In Huh-Hoto there was a conference on the history, language and literature of the Daur, in the Yenpien-Korean autonomous district there was a conference on the Korean language, and in the Chapchal-Xibo autonomous district in the Xinjiang Uighur Autonomous Region there was the first scientific conference on the Sibo language in the history of China. A symposium on oral and written languages was organized in Sichuan Province by the local nationalities affairs commission and the leadership of the national language committee.<sup>23</sup>

The scientific study of national languages is being conducted on a broader scale in the PRC in various research establishments, institutes of nationalities and academic institutions. The Institute of Nationalities of the Chinese Academy of Sciences is the central scientific institute for national language research. New research institutes and groups have been set up in the country's provinces and autonomous regions. In 1983, for example, the Institute of the Manchurian Language was founded in Heilongjiang Province. The Hunan Institute of Nationalities, for the study of the national languages of that province, was founded earlier. Specialists in the Mongolian Language are being trained in the post-graduate division of the Mongolian Language Institute of the University of Inner Mongolia.<sup>24</sup> National language research is being conducted by the Social Sciences Institute in Yunnan, the Qinghai Institute of Nationalities, the Northwestern Institute of Nationalities (in Lanzhou) and other local research organizations and academic institutions.

Several short monographs published in the PRC in recent years have described individual national languages or language groups. The majority were written on the basis of material collected and developed in the 1950's (essays on the

Zhuang, Buyi, Qiang, Sui, Kam, Yao, Li and other languages). Short reviews on individual languages have been printed in journals (on the Jinuo, Zaiwa, Kazakh, Tuchia, She and other languages). As a result of investigations in past years, interesting material has been collected. In Qinghai in the Tongren district of the Huangnan-Tibet autonomous district, an interesting language known in the district as the "Language of Five Villages" has been discovered. It is the result of a unique merger (in the past) of Chinese and the local Tibetan language. A similar language was discovered in Xinjiang. Many national dictionaries, grammatical descriptions of languages and articles on specific aspects of phonetics, morphology and syntax have also been published. A "Grammar of the Mongolian Language," the "first in the history of the PRC," was published recently.

On the whole, scientific work in the sphere of the national languages of the PRC has been revived. The task of assimilating useful foreign experience, "regardless of whether it is Western or Eastern, Soviet or American," has also been set in the PRC.<sup>25</sup>

Therefore, it can be said that in comparison to the 1960's and 1970's, there has been a significant change in PRC ethnolinguistic policy. The equality of languages and the right of non-Hans to use and develop their own languages have been reaffirmed. Considerable attention is being given to the use of national languages by local administrative organs in national autonomous regions and in public schools. Organs responsible for the development of language and institutes researching national languages have been reinstated. All of this will certainly promote the continued ethnolinguistic development of the country.

There is, however, a discrepancy between the declared principles of language policy, the aims of linguistic development, and their actual implementation. The reasons for this can be found in objective difficulties and in purely subjective factors. In our opinion, there have been serious delays in the creation of written languages for nationalities not having these writing systems. In this connection, it is noteworthy that whereas the Eighth CCP Congress in 1956 advocated the active assistance of nationalities having no written language in the development of written languages for them, the 12th CCP Congress did not even mention the matter. Today, however, the non-Han nationalities of the PRC are quite vigorously defending their legal right to use and develop their own languages. Some of their demands have been satisfied. The position taken by the non-Han nationalities will probably continue to play an important role in the organization and development of ethnolinguistic development in China.

#### FOOTNOTES

1. ZHONGGUO YUWEN, 1980, No 2, p 114; MINZU YUWEN, 1980, No 2, pp 1-5, No 4, p 2.
2. MINZU YUWEN, 1980, No 3, p 15.

3. ZHONGGUO YUWEN, 1961, No 12, p 16.
4. MINZU YUWEN, 1983, No 6, pp 73, 76.
5. Ibid., 1980, No 2, p 2; No 4, pp 2, 3.
6. RENMIN RIBAO, 10 and 5 September 1980.
7. MINZU YANJIU, 1983, No 6, pp 70-71.
8. RENMIN RIBAO, 6, 20, 26 and 28 May 1984, 7 April 1985; GUANGMING RIBAO, 25 May 1984.
9. The number of national languages in China far exceeds the number of non-Han nationalities (55 according to official count) because some ethnic groups speak several languages.
10. MINZU YUWEN, 1980, No 1, pp 10-11, 21.
11. ZHONGGUO YUWEN, 1980, No 2, pp 113-119.
12. MINZU YUWEN, 1981, No 2, pp 56-57; 1982, No 4, p 4.
13. GUANGMING RIBAO, 13 February 1984, 16 March 1985; MINZU YUWEN, 1982, No 6, p 30; ZONGGUO YUWEN, 1980, No 2, pp 118-119.
14. GUANGMING RIBAO, 19 September 1982; ZHONGGUO YUWEN, 1980, No 2, p 119.
15. MINZU YUWEN, 1981, No 1, p 1; 1982, No 5, p 4; RENMIN RIBAO, 3 May 1982.
16. RENMIN RIBAO, 16 November 1982; MINZU YUWEN, 1980, No 1, p 1; GUANGMING RIBAO, 17 March and 13 April 1981; YUNNAN MINZU XIUEYUAN XIUEBAO, 1984, No 3, p 8; RENMIN RIBAO, 4 April 1985.
17. MINZU TUANJIE, 1981, No 2, p 12; GUANGMING RIBAO, 2 March 1981, 23 January, 3 and 12 August 1983.
18. GUANGMING RIBAO, 29 October 1983, 13 February 1984; RENMIN RIBAO, 6 March 1981; MINZU YANJIU, 1983, No 6, p 71.
19. MINZU YANJIU, 1983, No 6, p 71.
20. GUANGMING RIBAO, 16 March 1985; RENMIN RIBAO, 21 September 1984; 27 January 1983.
21. MINZU YUWEN, 1982, No 4, p 1; GUANGMING RIBAO, 29 October 1980; RENMIN RIBAO, 4 August 1980.
22. MINZU YUWEN, 1980, No 1, pp 10-11; 1982, No 4, pp 1-4.
23. Ibid., 1982, No 1, pp 9, 18; No 4, p 19.

24. RENMIN RIBAO, 22 May 1981; GUANGMING RIBAO, 26 July 1982, 15 April 1984.
25. MINZU YANJIU, 1983, No 6, p 75; MINZU YUWEN, 1982, No 1, pp 10-18; 1981, No 2, pp 44-45; GUANGMING RIBAO, 15 April 1984, No 1, p 6.

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## ACTIVISM OF JAPAN'S SOKA GAKKAI ORGANIZATION DESCRIBED

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[Article by A. Yu. Stoletov: "Soka Gakkai: From Religious Acts to Intense International Activity"]

A significant role is played in post-war Japan by forces which draw on religious-communal organisations for their support. One such organisation is *Soka gakkai* (a value-creating society). Japan's biggest Buddhist organisation, it wields a measure of political power through the Komeito party, engages in vigorous educational and cultural activities<sup>1</sup>, and expresses its opinion on the urgent current problems, primarily that of war and peace.

According to Soka gakkai's information department, in November 1984 as many as 7,910,000 families were members of the society<sup>2</sup>. It owns newspapers and magazines, a publishing house, schools, and a university and there are Soka gakkai centres and meeting halls in every town of significant size.

There was a time when foreign publications referred to Soka gakkai as a religious sect. Perhaps there was once a great deal of truth in this appellation, because in the late 1940s and early 1950s Soka gakkai did indeed bear some of the marks of a sectarian group—narrow membership, pretensions as to the exceptional nature of its role, doctrines, and ideological principles, isolationist tendencies, etc. According to some Japanese writers<sup>3</sup>, in the early post-war years it showed itself to be a fanatical organisation intolerant of dissent. This was largely a result of its doctrine of *shakubuku* which calls for vigorous indoctrination of the individual with the aim of converting him (or her) to the "true" faith. Soka gakkai publications define *shakubuku* as the ability "effectively to overturn the unfounded arguments of an opponent."

Since the early 1960s, when Daisaku Ikeda became the third president of Soka gakkai the society has become more active and it has begun to get involved in a wider range of activities. It has become more sensitive to changes in the domestic socio-political situation and paid greater attention to public attitudes towards various aspects of its work.

In 1972, Ikeda urged Soka gakkai to relinquish its closed, semi-sectarian status and become an open religious organisation. As a result, it embarked upon a period of establishing relations of active cooperation with numerous political, public and cultural organisations, and in a number of cases with other religious groups. Soka gakkai's "new course" was also marked by its emergence on the international scene.

In recent years a number of Soviet publications have come out which are devoted to the organisation, its history and its relations with the Ko-

<sup>1</sup> See Koji Sugimori, "The Soka Gakkai Situation", *Jiyu*, 1976, No. 3, pp. 140-150 (in Japanese).

<sup>2</sup> See *Soka gakkai 1984. Materials from the Information Department*, Tokyo, 1984.

<sup>3</sup> See Tokoro Shigemoto, *Modern Society and Nichirenism*, Tokyo, 1972 (in Japanese).



meito Party.<sup>4</sup> Much less is known in the Soviet Union about its international activities, about the directions and forms they take.

The society's activities on the world scene are the province of Daisaku Ikeda. In April 1979, he announced his retirement from the post of president. By becoming honorary president, he has actually retained control of Soka gakkai. Its activities abroad are conducted through the Council for International Ties (Soka gakkai International or SGI) which is headed by Daisaku Ikeda. The Council was set up in 1975 when the main aspects of the "new course" had been determined and it set itself the goal of bringing the foreign members of the society into its ranks. Prior to 1975 Soka gakkai represented Nichiren-shoshu, another religious organisation, abroad. It is only from the moment the Council was formed that one may speak of Soka gakkai's systematic proliferation abroad. Evidence of this is also provided by the sharp rise in its foreign membership. In 1960, it had a mere 710 members in 15 countries, whereas by November 1984 according to statistics collected at that time<sup>5</sup> its membership abroad had risen to 1,007,000, and it had branches in 115 countries. This is how the foreign membership breaks down by regions: North America—238,000, Central America—9,000, South America—139,000, Southeast Asia—609,000, the Middle East and Africa—3,000. It publishes its newspapers and magazines in 30 of the 115 countries<sup>6</sup>. These include the *World Tribune* in the US, *Brasil Seikyo* and *Terseira Civilisation* in Brazil, *Peru Seikyo* in Peru, *Argentine Seikyo* in Argentine, etc. At home, too, Soka gakkai employs its considerable printing facilities to put out a number of foreign-language publications intended for readers abroad, such as the illustrated magazines *SGI* and *Seikyo gurafu*, the newsletter *Soka gakkai News*, and others.

Unlike other Japanese religious organisations which operate abroad mostly among Japanese communities, Soka gakkai focuses on recruiting members from among the local population and setting up more and more new overseas branches. The doctrine which underlies Soka gakkai's international activities has its roots in the views of the 13th century Buddhist preacher Nichiren. In a much modernised form, these views make up the organisation's ideological platform. The Nichiren teaching on the "ideal theocratic state" which is based on a fusion of religion and politics predicts that it is Japan that will be the country, where "true" Buddhism (i. e., the Nichiren doctrine) will triumph and develop into the predominant state ideology.

The current leaders of Soka gakkai are using Nichiren's ideas to justify their efforts to spread their ideology as a world religion. The references to Nichiren who enjoys great popularity among the Japanese as a patriot and defender of the destitute, give Soka gakkai's ideas great weight in the eyes of the public. An opinion poll conducted by the Japanese NIK television company in late 1984 revealed that Nichiren is one of Japan's 10 most popular historical figures.

The Soka gakkai doctrine of "the society of third civilisation", which forms the centerpiece of its ideology, originates in the Nichiren concept of a theocratic state. "The society of the third civilisation" is a fundamentally new type of society which, according to Soka gakkai ideologists, will combine the best features of socialism and capitalism, and be founded on an "inner moral revolution in each human being." This revolution can

<sup>4</sup> See S. A. Arutyunov, G. E. Svetlov, *The Old and the New Gods of Japan*, Moscow, 1968, K. I. Derzhavin, *Soka gakkai-Komeito (Religious and Political Movement in Post-War Japan)*, Moscow, 1972; I. I. Tamghinsky, "Japan": Religious and Political Movement: Soka gakkai-Komeito", *Religions of the World. Yearbook*, 1982, Moscow, 1982, and others (all in Russian).

<sup>5</sup> See *Soka gakkai* 1984, p. 2.

<sup>6</sup> See *Ibidem*.

only be effected with the help of the Buddhist teaching of Nichiren shoshu<sup>7</sup>. In "the society of the third civilisation" all spheres of human activities will be pervaded with the creative spirit. The individual human revolution begins with the adoption of "true" Buddhism, whereupon it spreads to politics, economy, the arts, and education, transforming all spheres of life with its creative spirit. Soka gakkai theoreticians predict that induced by the teaching, the inner revolution will ultimately embrace the whole world, since, according to the Buddhist doctrine, "world life" is manifested in people of all races and nations.

Daisaku Ikeda's book *Responsibility for Mankind and Civilisation*<sup>8</sup> expounds the Soka gakkai leadership's views on the origins of war and the ways of preserving peace. According to the author, the origin of war is in the human soul, in the desire of individuals to achieve their narrow personal interests, even when the war in question was started by a country or a group of countries. He proceeds from the assumption that since Buddhism denies war in all its forms, it can promote world peace by creating peace within the human soul.

All of Soka gakkai's international activities are ultimately aimed at spreading its ideology and its being accepted as a world religion. At the same time, in pursuing the humanitarian, non-violent tenets of Buddhism, the society is actively involved in the work for peace and broader cultural exchanges between countries.

In practical terms, Soka gakkai's international activities take three main forms: the work for peace; cultural, educational and scientific exchanges; and the effort to spread the Buddhist ideology with an eye to turning the Nichiren teaching into a world religion.

The society is actively working for peace and security. Its leaders hold that to achieve this goal it is necessary:

- Strictly to abide by Japan's peaceable Constitution. The society conducts national campaigns within the framework of the movement in defence of the peaceable Constitution. Rallies are organised on Constitution Day in its defence. It repeatedly protests against attempts to use the Yasukuni temple for militaristic propaganda.

- To help improve the economic situation and increase political stability in the developing countries of Asia, Africa and Latin America, which are constantly under the threat of war. To this end the developed countries should give the developing countries comprehensive material and technological aid. Between 1973 and 1984 the largest and most influential youth group within Soka gakkai launched several national campaigns to raise money for the peoples of Asia and Africa.

- To expand the United Nations' sphere of authority and extend its rights in the field of arms control. Equating imperialism with the forces of peace and progress, Daisaku Ikeda claims that "the nationalistic egotism of each UN member-country, primarily the great powers" is preventing the UN from making any headway<sup>9</sup>. In order to overcome this obstacle, people of good will, irrespective of their nationality must unite. It should be noted that a highly critical attitude towards the UN did not prevent Ikeda from making an appeal for peace to the 2nd Special UN General Assembly on Disarmament which took place from June 7 to July 9, 1982<sup>10</sup>.

- To accord the utmost respect for the independence of individual nations in international relations and within each country. This has long

<sup>7</sup> See D. Ikeda, *Buddhism: the Living Philosophy*, Tokyo, 1974, p. 94.

<sup>8</sup> D. Ikeda, "Responsibility for Mankind and Civilisation", *Ushyo*, 1974, No 10, pp. 88-121 (in Japanese).

<sup>9</sup> D. Ikeda, *Protecting Human Life*, Tokyo, 1975, p. 13.

<sup>10</sup> For details see D. Ikeda, "A New Proposal for Disarmament and the Abolition of Nuclear Arms", *Soka gakkai News*, July 1982, pp. 22-31.

been part of Soka gakkai's programme. But there have been instances when the society upheld nationalistic ideas, such as, the idea that Japan has a "special mission" in Asia and should play a decisive part in rendering aid to the developing countries of Asia, since the Japanese could understand the character of these countries better than the Europeans and the Americans could.

— To educate people in the spirit of peace and respect for personal dignity on the basis of Nichiren ideas.

Soka gakkai is working for broader international cultural and scientific exchanges through the Democratic Association of Music (Mignon) which was set up in 1963. Mignon invites foreign performers to tour Japan and organises Japanese tours abroad. It draws into its orbit numerous cultural figures and other intellectuals who are not members of Soka gakkai but are regarded as the society's reserves.

"Music is the language of the soul, which unites the world; it is above national and linguistic differences; music deepens our mutual understanding..." writes *Seikyo gurafu*<sup>11</sup>. According to this magazine, the Democratic Association of Music maintains contacts with numerous performing groups throughout the world, such as the Dance Ensemble of the Peoples of the USSR, the Novosibirsk Ballet, the Belgian State Ballet, American Ballet, the Paris Opera and Ballet Theatre, the State Dance Company of Hungary, etc.

Soka University has an important place in Soka gakkai's international activities, maintaining as it does scientific and cultural exchanges with many of the universities of the world, including Moscow State University. Among the activities the university and the society as a whole pursue abroad is the promotion of Japanese studies in foreign countries. From 1974 to 1984, Soka gakkai donated 74,500 Japanese books to various universities around the world (including universities in the USSR, the US, Panama, Peru, and China).

Against the background of the anti-Soviet campaign which has been launched by the reactionary forces of Japan Soka gakkai is calling for goodneighbourly relations with the USSR. Indicative in this respect is the lecture entitled "From Misunderstanding to Mutual Understanding" delivered by Professor K. Sakai of Soka University to mark the 25th anniversary of the resumption of Japanese-Soviet diplomatic relations. Professor Sakai said in part, "It has been in vogue here of late to speak of the Soviet threat. The press screams that the Soviet Union is fearsome, that sooner or later it will attack Japan... It is ignorance, rather than the Soviet Union, that is fearsome... Many Japanese do not know the USSR... the truth about the Soviet Union's cast of mind does not reach them"<sup>12</sup>.

Unlike some other foreign religious organisations Soka gakkai recognises that freedom of conscience is guaranteed to all Soviet citizens and welcomes the fact.

The society keeps up with the Soviet peace proposals. In this connection K. Sakai writes: "In principle the Soviet Union would like to see all armaments destroyed... But, regrettably, there are imperialist forces in the world which do not want detente and are stepping up the arms race. In deceiving the world with the myth about the non-existent 'Soviet threat', they continue the reckless arms race"<sup>13</sup>. The leaders of Soka gakkai admit that the Soviet Union poses no threat to Japan and hold that the real danger to Japan comes from the Liberal Democratic Party's policy of alliance with the United States.

On the whole, it is difficult to assess Soka gakkai's international acti-

<sup>11</sup> *Seikyo gurafu*, October 7, 1981, p. 21.

<sup>12</sup> K. Sakai, *From Misunderstanding to Mutual Understanding. Russian and Soviet Studies*, Tokyo, 1982, p. 138 (in Japanese).

<sup>13</sup> *Ibidem*.

vities in simple terms. Many international organisations, governments, and political and religious groups have yet to determine their attitude towards Soka gakkai. Some are wary of the society, in view of the complexity of its actions, but have to admit that it is an influential organisation capable of having a direct impact on Japan's domestic and foreign policies.

The stand Soka gakkai has taken on peace and detente attracts people from the most diverse social groups in Japan and abroad, people who have come to understand the need to protest the realities of capitalist society, but are as yet incapable of interpreting them from a Marxist point of view. "...Political protests in religious guise are common to all nations at a certain stage of their development," Lenin wrote<sup>14</sup>.

One cannot assess as anything but humanistic a number of the ideas which guide Soka gakkai in its international activities. To be sure, they have originated in the Buddhist "philosophy of life" which is far removed from dialectical materialism, but their pacifist and, to a certain extent, anti-imperialist nature makes those who hold them potential allies of the left forces in the struggle to cope with the burning political issues of the day.

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<sup>14</sup> V. I. Lenin, *Collected Works*, Vol. 4, p. 243.



# ARTICLE ALLEGES 'SOVIET CONSPIRACY' AGAINST CHINA IN 1920'S

Moscow FAR EASTERN AFFAIRS in English No 4, Oct-Dec 85 pp 137-139

[Article by S. A. Zhdanov: "An Interesting Study by a Chinese Scholar"]

The history of relations between the Soviet Union and China is closely related to the history of the national liberation struggle of the Chinese people. Immediately after the victorious October 1917 revolution, Russia unconditionally took the side of the progressive, revolutionary forces of China in their struggle against imperialist domination and feudal oppression, and for a free, independent, united and democratic China. This became especially evident during the Chinese revolution (1925-1927).

It was a time of great upheavals in China's history. The country was swept by a powerful national liberation movement demanding the restoration of national sovereignty and the political unification of China under a democratic national government. The revolutionary South confronted the reactionary North supported by the imperialist powers, which were doing their utmost to stifle the revolutionary upsurge in the vast country that was fully dependent on their will.

The revolution was led by the national bourgeoisie represented by the Guomindang, a national-revolutionary party. The emergent Communist Party of China, backed by the Comintern, actively joined the Guomindang in this struggle.

The spring of 1927 marked the crucial point in the revolution: the Chinese bourgeoisie, scared by the revolutionary upswing and backed by the imperialist forces, betrayed the people's cause and embarked on the path of counterrevolution. The imperialists increased their aid to the militarists in the North. On March 24, the warships of Britain and the United States barbarously shelled Nanking and on April 11, representatives of Britain, the USA, Japan, France and Italy presented the Chinese authorities in Wuhan and Shanghai with an ultimatum. The actions of the imperialist powers encouraged the reactionary forces in the country, and on April 12, 1927, Chiang Kaishek staged a counterrevolutionary military coup in Shanghai, followed by similar coups in China's southern provinces of Guangdong, Guangxi, Fujian, and others. On April 18, a reactionary Guomindang government headed by Chiang Kaishek was set up in Nanking. The correlation of forces in China changed dramatically in favour of reaction.

The sharp aggravation of Soviet-Chinese relations at that time ended in a raid on the Soviet embassy in Peking on April 6, 1927, by troops of militarist Zhang Zuolin, who arrested Chinese Communists there headed by Li Dazhao.

This event from the history of Soviet-Chinese relations in the 1920s forms the basis of the short but interesting and useful study by Chinese historian Xi Wuyi of the Peking Institute of Social Sciences, who contributed an article, "Forging of the So-Called 'Instructions to the Military Attaché in China' to Prove the Existence of a Soviet 'Conspiracy'", to the *Lishi Yanjiu* (Historical Studies) journal, No. 2, 1985.

After the raid on and the search of the Soviet embassy, "documents" supposedly found in the office of the Soviet military attaché and in the



apartments of the Soviet embassy staff started appearing in the Chinese and Western press. The reactionary Chinese and imperialist propaganda organs mentioned certain "instructions to the Soviet military attaché in China" among the most important "documents". It is these "instructions" and the history of their appearance that the Chinese historian analyses in his work.

Describing events that took place more than 50 years ago and that have already been put in proper perspective by historians,\* the author sets out to probe the real motives and causes of that heinous act of anti-Soviet, anti-Communist provocation and unmask its real inspirers and executors by thoroughly studying documents and new facts. Xi Wuyi notes that the official protests made by Soviet representatives against that provocation at that time were "for various reasons" not adequately argued. Most foreign diplomats and correspondents in China did not doubt the authenticity of the "documents" (p. 190).

Moreover, the study is also relevant today because some Western scholars still harp in their papers on a Soviet "conspiracy" and the "subversive activities" of the Comintern in China, quoting from the "instructions" to back their allegations. By way of example, Xi Wuyi cites the book *Borodin and the Wuhan Authorities* by Jiang Yongjing, a Taiwanese historian, and *The Chronicle of the Republic of China* compiled by the Historical Centre in Taiwan, in which that "document" is described as authentic and is even supplied with comments by the compilers. This list includes *The History of Japanese Diplomacy* (Vol. 17), issued in Japan by a well-known research centre, *China's Nation-Building Effort, 1927-1937*, *The Financial and Economic Record* by Arthur Young, a US Sinologist, and *China in the 20th Century* by O. Edmund Clubb, an authority among Western historians. The diplomatic archives of the United States, Japan and some other countries contain references to the "document" (pp. 181-182).

Xi Wuyi used as his source photocopies of the "instructions" from the archives of the Peking police department and a Chinese translation of them entitled *Moscow's Instructions to the Military Attaché in China, Based on a Resolution of a Plenary Meeting of the Comintern Executive Committee on China*.

Xi Wuyi lays special emphasis on the glaring political discrepancies between the text of the "instruction" and that of the "Resolution", and on the obvious contradictions in matters of principle pertaining to the nature, specific features and prospects of the Chinese revolution (pp. 182-186). Making a thorough comparison of the contents of the "instructions" with the Comintern's documents, the author forcefully argues that there are "grave doubts about the authenticity of the given 'document'" (p. 187). The Chinese historian also notes a number of other flaws and errors, which indicate that the document is a forgery. These are the way the "document" was drawn up, spelling mistakes, and misprints. The scholar, like a criminologist, compares different photocopies made at different time.

The most important part of the study, however, is the one offering a detailed account of the events by Zhang Guochen, a former diplomat under Zhang Zuolin, who witnessed and was directly involved in them. Xi Wuyi quotes both from his conversations with Zhang Guochen and from the materials of the Society of Historical and Cultural Studies under the People's Political Consultative Council of China of the city of Tianjin, which were never published (pp. 188-189).

The reminiscences of that former agent of Zhang Zuolin, who personally put Zhang Guochen in charge of translating the documents al-

\* See, for example, M. S. Kapitsa, *Soviet-Chinese Relations*, Moscow, 1958, pp. 170-176 (in Russ.).

legedly found in the Soviet embassy, make the work livelier and help to a large extent in reconstructing those events better.

Rightly noting that "the reminiscences of an 80-year-old man going back more than 50 years may have some discrepancies and inaccuracies in detail," Xi Wuyi singled out one fact, "the emergence of the name of the author and producer of the forgery"—N. Mitarevsky, a former White Guard journalist (p. 189), who exploited his position as "translator" of the "documents" to publish a book entitled *Worldwide Soviet Conspiracy: Exposure on the Basis of Yet Unpublished Documents Seized in the Soviet Embassy in Peking*. Xi Wuyi says that "although some Western historians doubted Mitarevsky's competence and noted the subjectivity of his assessments, especially in *Documents on Communism, Nationalism, and Soviet Advisers in China 1918-1927* by C. Martin, Wilbur and Julie Lien-ying How, no one ever thought him to be the author of the forgery."

The picture of the events prior to the raid on the Soviet embassy now completely stored and clear, Xi Wuyi traces their causes and consequences and offers the well-founded conclusion that Zhang Zuolin needed that provocation to boost his prestige with the imperialist powers, fan an anti-Communist campaign, and win the imperialists' support in his struggle for power.

Xi Wuyi also generalises saying that "the Soviet embassy's search was an important link in the chain of an anti-Soviet, anti-Communist campaign launched by the imperialists on the international scene in the 1920s. Actually, it was a joint action by the imperialists and the militarist followers of Feng while the forged "instructions" were a political result of that joint action" (p. 190).

Citing the reminiscences of Wang Zhixiang, former chief of the translation group at the Peking police department, published in *Materials on the History and Culture of Shenyang*, and those of Zhang Guochen, the author irrefutably proves the direct involvement of the French and Japanese ambassadors in the incident: they informed the Peking government of Li Dazhao's whereabouts and thus provoked the raid on the Soviet embassy. Xi Wuyi deems it important to note that the viewpoint of Soviet historians, who believe the British envoy to be the main inspirer of the provocation, does not seem quite correct or well-reasoned to him, though, according to the author, "the arrest [of Li Dazhao.—S. Z.], in the final analysis, could not have been made without the sanction of the British and American envoys" (p. 191).

Xi Wuyi also mentions foreign publications of those years and memoirs of Western diplomats, finding in them new facts which prove the involvement of the imperialist powers in the provocation and confirming the main conclusion of the study: the so-called "'Instructions to the Military Attaché in China' were a result of joint efforts. They were instigated by foreign envoys, brought about by order of Zhang Zuolin and as a result of a provocation of the Feng bureaucracy, the efforts of a White Guard forger and an American editor, and became a trump card in an anti-Soviet and anti-Communist campaign" (p. 191). The author quotes A. Chamberlain, who lashed out against the Comintern, and points to a direct relationship between the developments in Peking and a subsequent raid on the premises of the ARCOS society in London.

The general conclusion, facts and assessments of the events studied by the author coincide with those by Soviet historians (see M. S. Kapitsa, *Op. cit.*, p. 176).

Xi Wuyi writes that it was the duty of a scientist, requiring that the historical truth be restored, that motivated the study. The author did his job conscientiously.

## BOOK ON SOVIET ARMY'S MANCHURIAN CAMPAIGN REVIEWED

Moscow FAR EASTERN AFFAIRS in English No 4, Oct-Dec 85 pp 140-144

[Review by V. V. Semenov of book "The Soviet Union and the Manchurian Revolutionary Base (1945-1949)" by O. Borisov, 3d edition, revised and supplemented, Moscow, Mysl, 1985, 252 pages, illustrated: "An Important Factor in the Chinese Revolution's Victory"]

The last battle of the Second World War came to a triumphant end in the Far East four decades ago. The decisive contribution to the victory over Japanese militarism was made by the Soviet Union and the peoples of other countries. As Mikhail Gorbachev, General Secretary of the CPSU Central Committee stressed in the speech he made at the gathering marking the 40th anniversary of the Soviet people's victory in the Great Patriotic War, "being true to the end to its allied commitments in the Second World War, our country played an enormous role in the rout of militaristic Japan. We cooperated closely in battle with the great Chinese people. Together with us the soldiers of the Mongolian People's Republic vigorously waged war on the common enemy. The patriots of Vietnam, Korea and other Asian countries conducted a stubborn struggle against the Japanese invaders".

The third, supplemented and revised edition of *The Soviet Union and the Manchurian Revolutionary Base (1945-1949)*, by the prominent Soviet Sinologist O. Borisov, was published timed to the 40th anniversary of the rout of militaristic Japan. It is devoted to the history of the creation and consolidation of the revolutionary base in northeastern China, which acted as the main strategic bridgehead of the Chinese revolution that victoriously ended with the formation of the People's Republic of China on October 1, 1949.

In his book, which draws on numerous Soviet and Chinese documents, the work of Soviet and foreign researchers, as well as his personal impressions of the stay in Manchuria, O. Borisov studies the USSR's internationalist contribution to the Chinese people's revolutionary struggle and the

creation of the Chinese revolution's principal base.

When it occupied northeastern China in 1931 and set up the puppet state of Manchou-Guo in 1932, Japan had taken the first steps towards carrying out its aggressive plan of fully enslaving China. At the very beginning of the occupation the Japanese military began to build and strengthen a strategic military bridgehead in Manchuria so as to make further seizures of territory in Inner Mongolia and China, and to prepare for a "big war" against the Soviet Union and the Mongolian People's Republic.

As one of the main means of achieving their aims the Japanese militarists set the task of consolidating as fast as possible the military-economic potential of this vast region, which within its 1945 borders occupied an area of more than 1,100,000 square kilometres. Moreover, the development of all branches of Manchuria's economy was subordinated to the main task, that of turning the area into a bridgehead for the further expansion of the war. The Japanese press and military propaganda invariably identified the "progress of Manchou-Guo" with the construction of a network of strategic military railways, military factories, the greater extraction of raw materials for use by the military, etc. "The entire economy of Manchou-Guo", the author stresses, "was adjusted to the mobilisation of industry and agriculture in the event of war. This involved considerable changes in the existing economic patterns, brought ruin to the masses of the Chinese people and exacerbated social tensions" (p. 33).

By 1945 Manchuria had achieved a high level of economic development. Taking China as a whole, it accounted for more than 60 per cent of the output of heavy industry and about 80 per cent of the output of the mining industry. It is estimated that Japanese capital investments in the region amounted to almost 11 billion yen in 1945 (p. 39). "So in terms of its natural resources and level of economic development", the author concludes, "by the end of the Second World War Manchuria was a mighty military-industrial complex which Japanese militarism could use in the struggle against the USSR, the revolutionary movement in China and Southeast Asia" (p. 44).

The Soviet people's heroic resistance to the nazi invaders forced Japan to change its plans in respect to waging a war against the Soviet Union. By 1944 the Japanese militarists were hoping to draw out the war in the Pacific and to secure its termination



on the basis of a compromise, under which it would retain Manchuria. The Soviet Union's entry into the war against Japan and the lightning rout of the Kwantung army shattered these plans and made Japanese militarism's surrender a foregone conclusion.

The Soviet Union's historic victory in the Far East was a turning point in the history of the peoples of Asian countries. "The outcome of the long war between Japan and the peoples of China and other Asian countries it had enslaved was finally decided by the victory of the Soviet Armed Forces", Borisov writes, "and with that the tempestuous development of the national liberation movement on that continent began" (p. 68).

Notwithstanding the tremendous difficulties presented by the postwar recovery, the Soviet Union took effective measures to strengthen the people's democratic areas that came into being in Manchuria as a result of the rout of the Kwantung army. From the very beginning the people's democratic areas were given allround aid and support from the Soviet Union. This played an important role in the strengthening of the United Democratic Army (UDA), the CPC's armed forces in Manchuria. The UDA was supplied with first-class Kwantung army weapons which had been seized by Soviet troops. The Soviet Union provided a great deal of assistance in the training of Chinese national cadres, and shared with the people's bodies of power the experience it had gained in the fields of state and economic development. The presence of Soviet troops in Manchuria was of much importance for the consolidation and development of its economy. A number of important enterprises were rebuilt and put back into operation with the help of Soviet specialists. Soviet military units in Manchuria gave all the assistance they could to the local authorities in repairing and building roads and equipping population centres with services and utilities.

The aim of Soviet diplomacy in respect to China during that period was to prevent US military interference in the country's internal affairs and give the Chinese people the greatest possible assistance in securing democratic freedoms and national independence. The diplomatic struggle directly concerned with Manchuria held a special place in the Soviet Union's actions vis-à-vis China, which were based on the interests of the Chinese revolutionary forces and were closely coordinated with the CPC. The

author's thorough analysis of documents and materials related to foreign policy issues convincingly shows that it was precisely the Soviet Union's firm and consistent position that prevented the United States from fulfilling its far-reaching plans with respect to China.

The way the question of withdrawing Soviet troops from Manchuria was solved is another indication that the USSR bore the Chinese people's national interests in mind. The final decision on this matter was taken only after consultations, which took these interests fully into account, had been held with the Chinese Communists, thus enabling the Chinese revolutionary troops and the people's democratic government, which had the local population's support, to take power in the areas from which Soviet forces were withdrawn.

The monograph under review gives an account of the vicious anti-Soviet actions taken by Chiang Kaishek's supporters in Manchuria, the arbitrary actions they took towards Soviet officials, and their disorganisation of the operation of the Chinese-Changchun Railway, which in accordance with the August 14, 1945 treaty between the USSR and China was to be administered jointly on the basis of parity.

At the same time the author also criticises the position taken by some of the CPC's nationalistic-minded leaders who did not take the actual alignment of forces in the country into account and tried to start a civil war at a time when conditions were not in their favour and to provoke the Soviet Union into clashing openly with the United States.

O. Borisov stresses that "events in China offered patent proof that during that period the USSR did not fall for the provocations of the Americans or Chiang Kaishek's supporters, firmly resisted "leftist" and other deviations and adopted the only correct position—that of resolute struggle for the interests of the Chinese revolution and the Chinese people, displaying restraint, patience and fidelity to principle. At the same time the Soviet Union bore in mind the real alignment of forces both in China and in the world and resisted attempts to draw it into a political adventure" (p. 100).

The consistency of the Soviet Union's position fully manifested itself during Washington's open intervention in China when American imperialism tried to strangle the Chinese revolution and enslave the country



with the help of the Guomindang army which it had trained and armed. The Soviet Union, which supported the Chinese people's just struggle for its freedom and independence, stood in the way of these neocolonialist plans.

The importance of the revolutionary base in Manchuria became fully apparent in those years. In fact, during that difficult period it was the Chinese revolution's main bulwark. "It was there that the army of the CPC accumulated strength and then in 1948 and 1949 launched a drive to the south that ended in the Guomindang regime's total collapse," the author writes (p. 119).

Manchuria had rich revolutionary traditions. The armed struggle against the Japanese invaders and the puppet government began there in as far back as the early 1930s. After Japan's surrender the Chinese Communists used this opportune moment to spread their influence in Manchuria. For this purpose regular army units as well as Party and administrative officials were quickly moved to Manchuria from the liberated areas of northern China. By 1946 100,000 soldiers and some 50,000 Party and administrative officials had been transferred to Manchuria. The Communists and other Chinese patriots who had been freed from Japanese prisons by the Soviet army gave a great deal of assistance to the new Party and military cadres in Manchuria.

The dynamics of the growth of the revolutionary forces in Manchuria were as follows: late in November 1945 the CPC had some 20,000 of its regular troops stationed there, by mid-December 1945 the number of servicemen topped 334,000 while in the second half of October 1947 this figure had already risen to 465,000. Thus, Borisov notes, by the autumn of 1948 the Manchurian group of CPC forces "was almost twice as large as the opposing Guomindang forces. There was also a noticeable proportional increase as compared with the other groupings of CPC troops in northern and Central China" (pp. 122-123). The data furnished in the book allow the reader to draw the conclusion that of all the groupings of CPC troops the Manchurian grouping was the strongest, especially when one considers that the CPC troops in northern and Central China were not a single compact group and operated in areas separated by large distances.

For the CPC and its army the period 1946-1947 was extremely hard and intensive militarily. Guomindang forces seized the CPC's strongpoint in Yunnan with comparative ease. In addition, the revolutionary forces experienced certain difficulties on the Manchurian fronts where Chiang Kaishek's supporters had, with the help of the United States, concentrated the bulk of their forces. But gradually the offensive the Guomindang forces had launched against Manchuria in June-July 1946 petered out. The alignment of forces on the fronts began to change. The road was being paved for a decisive change in the way the war was going and this happened at the end of the first year of hostilities.

The Manchurian group of the revolutionary army which was under the command of Lin Biao and Gao Gang, began an offensive in the summer of 1947. Huge successes were scored in less than two months in the course of this offensive that was launched at several points. 42 towns were liberated. The garrisons of Changchun and Jilin were encircled, while the bulk of the Guomindang troops were forced to retreat to the area of Mukden. Four regular divisions and many of the Guomindang army's irregular units were routed (p. 125).

In the course of the autumn and winter offensive of 1948-1949 the CPC forces completed the rout of the Guomindang troops in Manchuria. Special mention should be made of the victorious Liaoshen operation which, in the opinion of Chinese historians, created the necessary conditions for the liberation of the entire country. As the author notes, "Soviet assistance, particularly in repairing railways and bridges in Manchuria, was one of the key factors in the People's Liberation Army's victory in the Liaoshen operation. This ensured the concentration of forces at the necessary points and their manoeuvring" (p. 127). The CPC troops scored decisive victories in the subsequent Huaihai and Peking-Tianjin operations.

The data presented in the book convincingly support the argument that the Manchurian group of troops played a decisive role in the Chinese National Liberation Army's general offensive that sealed the outcome of the civil war.

Of much interest is the section of the book devoted to the social and economic transformations in Manchuria carried out by the bodies of people's democratic power. The railways, power stations and utilities

were placed in the hands of the democratic authorities. Industrial enterprises were gradually confiscated and their management was organised. The tax system in the cities was changed, people's banks were formed, and easy loans for industry and commerce were introduced. Wages were raised in 1947-1948, the working day was shortened and paid leaves and social insurance were introduced at some state enterprises, as was a bonus system. In Manchuria, starting in the autumn of 1946, the CPC went from making certain changes in agrarian practices to a general agrarian reform, to the liquidation of feudal and semi-feudal land ownership, and to the abolition of landlords as a class. "It is hard to overestimate the importance of the democratic transformations in the liberated areas of Manchuria", O. Borisov rightly points out. "It was here that the system of political and economic administration which would later be adopted by People's Republic of China came into being. At the Manchurian revolutionary base revolutionary cadres were trained in economic management and democratic transformations. In this they relied on the powerful state (public) sector in the form of expropriated big industry. The CPC organisations and the people's democratic authorities made extensive use of the Soviet Union's experience when carrying out social and economic transformations" (p. 134).

A separate chapter in the book is devoted to a detailed analysis of various ways in which the USSR helped strengthen the revolutionary base in Manchuria. O. Borisov attaches a great deal of importance to the heroism of the working class in Manchuria that had to bear the brunt of the work to rebuild enterprises, restore communications and supply the army with arms and ammunition.

The importance of the Manchurian revolutionary base particularly increased in 1946 and 1947 when the centre of the CPC's revolutionary and political activity was, for all practical purposes, shifted from the "special" area of China to Manchuria. It was in Manchuria that the Soviet Union helped the numerous party military and economic cadres learn to run the future republic. There they accumulated experience in economic and administrative work and in implementing social measures.

"The struggle for Manchuria between 1945 and 1949", O. Borisov writes, "is yet another piece of historical evidence which

shows who is a true friend of the Chinese people and who was and continues to be its implacable enemy" (p. 209). When studying the history of the Chinese revolution it is impossible not to find a great deal of evidence of the Soviet Union's class internationalist approach to the Chinese people's liberation struggle. It is especially important to emphasise this now when not only Western but also Chinese historians are trying to falsify the history of the Second World War, to belittle in every way the role the USSR played in the rout of the fascist-militaristic bloc, and to distort the significance and aims of the Soviet Union's aid to China. The fifth chapter of the monograph, new in this edition, is devoted to rebuffing these pseudo-scientific inventions.

On making a thorough analysis of a number of works by Western authors O. Borisov arrived at the conclusion that "despite the great diversity of approaches bourgeois writers have taken to elucidating US policy towards the Far East, their works are all characterised by a desire to protect and justify American imperialism's aggressive policies, to make their conclusions fit the needs of the present" (p. 184). At the same time, "the Soviet Union's liberating mission in the Second World War, and the help that the socialist state gave the Chinese people in building socialism are either qualified in the West as undesirable from the point of view of China's national interests or their importance is ignored" (p. 173).

Such tendencies are characteristic of modern Chinese historiography as well. As is known, in their time Chinese scholars and officials were of positive opinion as to the significance of the role the Soviet Union played in the struggle against Washington's interference in China's internal affairs, and in the victory of the Chinese revolution. But in recent years attempts are being made in Chinese historical publications to reassess the history of the Chinese revolution, and the history of the Soviet Union's foreign policy in various periods, particularly the 1940s. Moreover, questions concerning Soviet-Chinese relations are frequently treated in an obviously anti-Soviet way and the Soviet Union's role in liberating northeastern China and creating the Manchurian revolutionary base is falsified.

"But facts are a stubborn thing and they cannot be juggled for selfish purposes", O. Borisov rightly notes. "History has proved that the Soviet Union has always sided

with the Chinese people's revolutionary forces, and helped it in the struggle for its national and social liberation" (p. 193). One cannot but agree with this. All the sources quoted in the book show that the role the Manchurian revolutionary base played in the Chinese people's national liberation struggle cannot be analysed without taking into account the political struggle, the civil war and the social-economic transformations that were carried out in Manchuria in 1945-1949 with Soviet assistance.

The victory of the revolution in China in 1949 demonstrated once again the correct-

ness of Lenin's thesis that the "revolutionary movement of the peoples of the East can now develop effectively, can reach a successful issue, only in direct association with the revolutionary struggle of our Soviet Republic against international imperialism". (V. I. Lenin, *Collected Works*, Vol. 30, p. 151).

The Manchurian revolutionary base, that is studied in O. Borisov's monograph, and its development with the USSR's assistance are just an example of the Soviet Union's genuine internationalism, and its invaluable selfless assistance to the Chinese revolution.

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## BOOK ON CHANGES IN THE PRC ECONOMIC STRUCTURE REVIEWED

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[Review by V. Ya. Portyakov of book "The Reform of the Economic System in Present-Day China" (in Chinese), Beijing, Zhongguo shehui kexue chubanshe, 1984, 825 pages]

Since the late 1970s the economic reform-related issues have been in the foreground of the social and political life of the People's Republic of China. It is quite natural that the attention of Chinese economists and economic managers is concentrated on the theory and practice of the reform's current phase which received broad coverage in the country's scientific literature and periodicals and, as is unanimously recognised in the PRC, was initiated by the decisions of the 3rd Plenary Meeting of the CC CPC of the 11th convocation (December 1978). However, until recent time the history of the formation and evolution of the economic mechanism in the PRC during the preceding period remained a secondary theme and got scant coverage in Chinese publications.<sup>1</sup> Despite

<sup>1</sup> The few exceptions include the series of articles by Xin Hua on the evolution of the financial system in the PRC (*Caizheng*, Peking, 1983, No. 2, 4-6, 8, 9, 11, 12); the chapter on the history of planning in the country in the book *Problems of Planned Management in China* (Peking, 1984, pp. 638-676, in Chinese); the article by Ren Tao and others, "History of the Economic Management System in Our Country" (*Jingjixue dongtai*, Peking, 1979, No. 6, pp. 27-31).

ample criticism of the faults in the system of organising and managing the economy that had formed in China by the mid-1970s, it usually used stereotypes like the "inflexibility" and "excessive centralisation" of the economic mechanism, the dominance of administrative methods and the insufficient development of economic methods of managements. Apparently this approach was largely rooted in the prevailing national sentiment that the previous attempts to improve economic management, in particular by way of redistributing the economic powers between the centre and the periphery, between regions and departments were scattered and on the whole, "strictly speaking, did not amount to a reform of the economic system", while it was not until the end of 1978 that the real reform began to take shape.<sup>2</sup> Meanwhile, the detailed presentation of the background, the "prehistory" of the present-day reform helps understand better its causes and determine more accurately the genesis of many current economic measures in China and even predict to a certain extent the aftermath they may entail. What is undeniably interesting in this respect is the work *The Reform of the Economic System in Present-Day China*, the first book in the new "Modern China" series which is expected to comprise about 200 volumes.

This work was written by a big team of authors, among them prominent economists such as Gao Shangquan, Sun Xuewen, Xu Jinan, Liu Rixin, Zuo Chuntai and Lin Xuan. The representative editorial board was

<sup>2</sup> In Xiao Liang, *The Retrospective and Prospective Study of the Problems, Relating to Economic System Reform*, *Jingjixue Wenzhai*, Peking 1985, No. 1, p. 4.

headed by Deputy Chairman of the State Committee for the Reform of the Economic System of the PRC Zhou Taihe. When the book was being prepared account was taken of notes and suggestions given by member of the Secretariat of the CC CPC Deng Lijung as well as by such esteemed specialists as Lu Dong, Yuan Bohua, Ma Hong and You Lin. The foreword to the book was written by member of the PRC State Council Bo Yibo. Immediately after its publication the book was highly appreciated and widely publicised by the Chinese press.<sup>3</sup>

As a medium entitled primarily to give Chinese and foreign readers "understand the historical process of the formation and evolution of the socialist economic system in China during the 30 odd years" and thereby realise the "important role the currently implemented reform is playing in the country... in the attainment of the great aim of four modernisations" (Foreword by the authors, p. 1), the book at the same time provides a general outline of economic life in the PRC with its complex vicissitudes citing quite often openly data and figures hitherto withheld from public eye. In our opinion, a whole range of "topics" treated in the work transcend the "limits of management" and can be studied independently. For instance, this refers to the history of the "third line" of defence, that is the area of the "strategic rear" in Sichuan province (pp. 586-592), the account of Zhou Enlai's attempts to streamline the economic mechanism in 1971-1973, shedding more light on the specifics of factional struggle in the Chinese leadership's top echelon during that period (pp. 147-151). The generally extensive factual material, the systematic presentation of the specific and typical features of the PRC's economic mechanism at various stages make the book *The Reform of the Economic System in Present-Day China* a valuable and (as regards some problems) also an absolutely necessary source for studying questions pertaining to the history of development of the PRC's economy and the ongoing economic reform in the country. Mention should also be made of the good language of the book and the comparatively small number of repetitions, which are typically inevitable in such a big work (606,000 characters).

<sup>3</sup> See Xue Muqiao's and Su Xing's reviews in *Renmin ribao*, Oct. 8, 1984 and *Guanming ribao*, Oct. 7, 1984.

At the same time, however, the book has its shortcomings. The authors' desire to present the entire evolution of the economic mechanism in China as although not always fruitful but continuous search for "a way of building socialism in line with Chinese conditions" inevitably associates the evaluation of events of previous years with the tasks and concepts facing the country today, thus occasionally leading to lopsided interpretations, an unjustified shifting of accents and discrepancy between the subject matter of the book and conclusions. The book, for example, makes an effort to overemphasise the importance of a number of Mao Zedong's "theoretical provisions and political guidelines" in late 1958 and first half of 1959 to rectify the leftist excesses of the "big leap forward" and the movement to create rural people's communes (pp. 80-88). In reality, however, as it is shown further (pp. 88-89) it had already been reduced to naught by the results of the Lushan conference (July 2-August 16, 1959). Neither is it easy to agree with the contention that the failures of the "big leap forward" were "ultimately mistakes in the course of China's search for a new road of socialist construction" (p. 91). The attempt to set in contrast the experience of building the "third line" of defence in the country's inner areas and the large-scale construction of new enterprises in the years of the first five-year-plan period cannot be accepted as valid either because this actually leads to hailing the former as the one being conducted through "reliance on one's own resources" and belittling the latter, conducted with foreign assistance (pp. 588-589). This approach pushes, as it were, to the background the shortcomings involved in the construction of the "third line", although it was not so long ago that the Chinese press noted the extremely low effectiveness of capital investments in that sphere.<sup>4</sup>

The book consists of three main sections—the historical, sectoral and regional—a conclusion, intended to sum up theoretically lessons and experience gained in the evolution of the PRC economic mechanism, and a supplement listing the main events associated with changes in the country's economic system in the period from 1949 to June 1983. The book's contents are translated into English.

<sup>4</sup> In "Let Us Renounce Misleading Ideas in Economic Work," *Renmin ribao*, April 9, 1981.



The book's first section deserves special interest. It characterises the formation of the economic structure in the PRC during the rehabilitation of the economy and in the first five-year-plan period (1949-1957), its evolution in the years of the "big leap forward" (1958-1960), the economic readjustment of 1961-1965, the "decade of chaos" as the period between 1966 and 1976 is now called in China, and during the 1977-1983 period.

Modern trends are clearly felt in the specific way the study treats the well-known events of 1949-1957: the accelerated transition to cooperatives of the higher type in agriculture, it is said in the work, "is seen today as a grave blunder" (p. 20); according to the authors, "the main structure of China's socialist economic system of a long-term guiding importance" (pp. 31-32) was first outlined in Chen Yun's speech at the CPC's 8th Congress in 1956. Noting the important role the single centralised economic mechanism established during the years of the first five-year-plan period played in the country's allround social and economic development, the authors describe it at the same time as a mechanism "that was somewhat narrow in a historical sense" (pp. 51-52). The book reflects the viewpoint gaining more ground in China, according to which the PRC's economic mechanism of those years should not be viewed as the one "completely and automatically borrowed from the Soviet Union" and that its formation was influenced largely by the experience of the old liberated areas, revolutionary bases, etc. (p. 61). The authors even try to single out the spheres where the study of Soviet experience was decisive (industry, transport, planning, the system of labour and wages) and where "China's specific features" were more manifest—the policy of buying out as regards bourgeoisie, the use of the regulating role played by taxes and prices in production and circulation, planned management of agriculture and finance (pp. 61-62, 216-217). It appears that this problem, just as the present evaluation by China of the first five-year-plan period as a whole, merits a special study by Soviet Sino-logists.

When characterising the "unsuccessful attempt" to reform the economic system during the "big leap" campaign the work cites numerous eloquent facts. Thus, as a result of the expansion of the financial rights of enterprises in conditions of the "economic

chaos state enterprises received in the course of three years 15.3 billion yuan of profits that they spent mostly on capital construction, as against the initially planned 3-3.6 billion yuan (p. 78).<sup>5</sup>

At the same time the efficiency of enterprises plummeted: labour productivity at state industrial enterprises in 1958 was 8.5 per cent lower than in 1957 while in 1959 it was 15 per cent lower. Their losses in 1961 amounted to 4.65 billion yuan, or a third of all taxes and profits derived from industry (p. 79).

It seems that the excessive emission of money and the inflationary growth of bank credits, characteristic of the second half of 1984, were among other reasons, a source of a serious alarm for the present Chinese leadership and economists because these phenomena, as it is seen from the book under review, were fully applicable to the period of the "big leap" and this, naturally, could not but lead them to draw definite parallels.

The period of "readjustment, consolidation, replenishment and heightening" (1961-1965) witnessed at the beginning an intensification of centralised management and then (from 1964 on) a new search for a "proper measure" aimed at delimitating the economic rights of the centre and the periphery. The number of centrally-run enterprises and organisations went up from 2,400 in 1959 to 10,533 in 1965 (p. 100), while the number of types of resources subject to centralised distribution soared from 87 in 1961 to 370 in 1965 (p. 102). The strategy directed at expanding local rights in capital construction and simplifying the system of planning was initiated in September 1964: the number of types of industrial output falling within the sphere of state planning committee control dropped from 340 to 63 (p. 121). On the whole, the authors believe, those years made it possible to gain useful (though not without shortcomings) experience in setting up trusts and managing the economy by economic methods. At the same time, the practice of giving households production assignments, that became widespread in a number of the country's rural areas came under "unfair criticism" (pp. 124-125).

The leftist line and policies of the "cul-

<sup>5</sup> This example illustrates one of the few discrepancies in the text: it is said on page 449 that in 1958-1961 enterprises received profits amounting 14.67 billion yuan.

tural revolution", as the authors correctly emphasise, inflicted direct damage on "socialism's economic system" in China and shifted the country's economic mechanism in a wrong direction (p. 127). Some of its concrete manifestations were the orientation at "wholesale" self-sufficiency of every locality and the replacement of economic levers of management by administrative methods. The authors arrive at the justified conclusion that given the political and economic situation of that period "any reform of the economic mechanism was inevitably doomed". (p. 158).

The milestones and directions of the present stage of the economic reform in the PRC (1977-1983) are treated in the work in a systematic manner. Facts cited by the authors are, as a rule, well known to specialists. The authors arrive at the conclusion that although in terms of its "consciousness, depth and width" the present reform knows no analogues in the past, nevertheless it can only be regarded as an initial probe (pp. 206-207).

The book's section dealing with the development of economic sectors acquaints readers in detail with changes in the system of planning and finance, with evolution in the sphere of management and organisation of agriculture, ferrous metallurgy, machine-building, the textile and light industries, and also domestic trade and material and technical supply. An analysis of changes in the management of the PRC's external economic ties could have taken a fitting place in the study but, alas, it is absent, although the book does contain bits of information on this problem.

The regional section examines the history, specifics and experience of reform activities in the cities of Shanghai, Chongqing, Changzhou (Jiangsu province) and Shashi (Hubei province), as well as in Liaoning and Sichuan provinces. This section is not just an additional illustration to picture of evolution in China's economic structure. It contains quite a few important details and conclusions necessary for a more correct understanding of the economic processes in the country as a whole. The following example is indicative. It is common knowledge that the city of Chongqing was the first to carry out the experiment aimed at determining the role of cities as economic centres and thanks to that

got the rights of a single object of planning (a "plan unit"). But evidently few know that it had already had such rights in 1954-1958 and 1964-1967. This must have been one of the factors that made the choice of the site of the experiment in favour of Chongqing.

Some theoretical inferences collected in the chapter entitled Conclusion and those scattered throughout the book, are of interest on their own merit. They reflect the concept of the economic system reform that was formulated in the documents of the CPC's 12th Congress (September 1982). In particular, the authors place the accent on the "impossibility to carry out correctly the reform in isolation from a comprehensive balancing of the national economy" (p. 754), on the need to consolidate and improve macroeconomic control, which is an important component of the reform as a whole (p. 755). One can accept the authors' view that "in a certain sense the rights and interests of enterprises are necessary means of realising their economic responsibility" (p. 744).

At the same time a number of theoretical principles "endorsed" in the book were in fact put in question after the adoption in October 1984 of the "Resolution of the CC CPC on the Reform of the Economic System". This applies, for instance, to the conclusion that "market regulation can only occupy an auxiliary place, acting as a supplement to the planned economy" (p. 607). Today, however, accents have shifted substantially: demands are being made for a "restoration... of the irreplaceable functions of the market mechanism—automation of regulation, competition, and innovation"<sup>6</sup>. As for plan regulation, as some publications stress, "it cannot abstract itself... from the market mechanism"<sup>7</sup>.

This way or the other, the economic reform in the PRC has yet to traverse a long and arduous path. Despite the questionable nature of many of its provisions the book *Reform of the Economic System in Present Day China* may prove to be very useful to those who want to make an allround analysis of this reform.

V. Portyakov

<sup>6</sup> *Jingjixue zhoubao*, Peking, Dec. 10, 1984.

<sup>7</sup> *Jingji yanjiu*, Peking, 1984, No. 11, p. 13.

## JAPANESE BOOK ON MYTH OF 'SOVIET THREAT' REVIEWED

Moscow FAR EASTERN AFFAIRS in English No 4, Oct-Dec 85 pp 148-151

[Review by I. V. Romanenko of book "The Myth of the 'Soviet Threat'" (in Japanese) by Iwashita Takeo, Tokyo, Shakai tsushinsha, 1983, 196 pages]

This book by the progressive Japanese social commentator Takeo Iwashita is one of a few published recently in Japan that reveals the true motives behind the anti-Soviet campaign incited by the country's ruling circles. The author draws on an array of historical facts to analyse Soviet-Japanese relations from the time of the civil war in Russia to the present day. Iwashita gives a detailed and well argued assessment of the origin of anti-Sovietism in Japan, exposes the actions of the military circles which encourage belief in the myth of the "Soviet threat" in order to cover up their own plans of stepping up the pace of the country's militarisation. The book also lays bare US actions aimed at gaining military superiority over the USSR and its allies through an unbridled arms race and the involvement of its military allies, including Japan, in a "crusade" against socialism.

In the foreword to his book, Iwashita points out that "during the last few years in

Japan no other issue has been picked up so quickly and with such ado by the mass media as the fabrications concerning the "Soviet threat". Although they appeared as a result of harmful and absurd speculations concerning a possible 'invasion of Soviet troops', nonetheless all these has had a certain effect on people's minds" (p. 2). Those who initiated this anti-Soviet stir, continues the author, stepped up their efforts after the Reagan administration, which purposefully manipulates the mass media in order to justify the acceleration of the arms race came to power. "All of this has led to the biggest military budget in the history of the United States; accelerated development of the neutron and other weapons, the imposition of an arms race policy on the allied countries, the creation of obstacles to all negotiations on disarmament, increased military intervention in the Middle East and Latin America and, lastly, to attempts to arouse anxiety in the minds of sober-minded people" (p. 2).

But, asks Takeo Iwashita, does the Soviet Union really pose a military threat? It is true that the USSR is militarily a great power, however, as the Japanese journalist justly stresses, many facts give the lie to the assertion it poses a threat to other countries. In his opinion, this thesis is supported by the following points.

First, the Soviet Union, unlike the US, has no military bases beyond its borders. All the speculation on this score by the Western mass media holds no water. Thus, it was alleged that the USSR had built a naval base in Camranh Bay in Vietnam, that port Aden in South Yemen had become another base, etc. However, Japanese journalists who visited those sites testified that these assertions were groundless.

The presence of Soviet troops in a number of East European countries, the author states, is only a response to the stationing of major contingents of US troops in Western Europe. It must not be forgotten, Iwashita reminds readers, that the Soviet Union offered a simultaneous withdrawal of all troops back in the 1950s, but the proposal was turned down by the West. "The US, relying on a 'multilateral theatre of military operations' strategy, concluded military treaties with many states and, most importantly, set up NATO. The Americans have over 2,500 military bases manned by more than 500 thousand servicemen in 30 countries. The United States has completely surrounded the Soviet Union. In particular, atomic submarines with nuclear missiles, strategic bombers, and the "rapid deployment forces", are always primed to strike the USSR" (p. 4).

Second, as the Japanese political analyst justly holds, it is the US that initiated the arms race. It has always been first in creating the deadliest kinds of new weapons: "The mere fact that the Soviet Union was not the first to develop and deploy any of these weapons, which threaten the whole of mankind, and, on the contrary, developed them in reply to steps taken by the West, in order to meet the needs of its defence, completely refutes all fabrications concerning the "Soviet threat" (p. 5).

Third, the Japanese political analyst quite correctly points out that in the Soviet Union no one profits from the arms race.

During the years of foreign military intervention and the Second World War, the USSR suffered great material damage while the losses it suffered in terms of human lives were larger than those of any other country.



In this context, notes the author, the USSR's persistent efforts to strengthen peace and curb the arms race are completely understandable. The US lost far fewer lives in the two World Wars and no military operations were conducted on its territory. What is more, emphasizes the author, during that period the US economy grew considerably, and a military-industrial complex was created which takes advantage of the supposed "Soviet threat" in order to get bigger orders from the Pentagon and boost profits. "The US, which considerably increased its influence during the Second World War, has become the main bulwark in the struggle against the rapid growth of socialism and the national liberation movement which took place after the war" (p. 167).

Fourth, after analyzing numerous facts Iwashita comes to the important conclusion that the anti-Soviet hysteria is instigated quite deliberately.

He holds primarily responsible for this, and correctly, no other organisation but the US Central Intelligence Agency "whose dirty tricks are well known" (p. 114). In Japan, it is the National Defence Agency that plays the main role in "psychological" operations against the USSR. Anti-Soviet propaganda is the province of an NDA information committee set up in 1973. "And when in June 1978," the author points out, "the NDA officially declared that 'the Soviet Union's armed forces in the Far East pose a potential threat to Japan', a stir was immediately created concerning the 'Soviet threat'".

About the same time the attention of the country's mass media was drawn to an alleged "buildup of Soviet bases on the South Kuril Islands". Although the National Defence Agency does not actually have any facts confirming a Soviet military buildup in what it calls its "northern territories", the Agency deliberately distorted various data in order, first, to create anti-Soviet hysteria in the country and, second, convince the public of the rightness and necessity of accelerated militarisation. The data on the Soviet armed forces, published in the *White Paper on Defence* in 1981 was so inflated, says Iwashita, that it surprised even old hands among military specialists and mass media workers. The figures cited there were even much higher than those provided by US Department of Defense.

One whole chapter of the book is devoted to the emergence and development of anti-Sovietism in Japan, wherein the author con-

sistently reveals the essence of the aggressive policies pursued in relation to the Soviet Union by the country's ruling circles.

At the root of anti-Sovietism in Japan, just as in other capitalist countries, lies the monopoly bourgeoisie's hatred of the world's first state of triumphant socialism, the fear of the working people's growing class struggle, of the democratic movement, and of the strengthening of the left forces due to the impact of Marxist-Leninist ideas.

Japan was the first capitalist country to try to strangle Soviet power immediately after the Soviet state was created. On an invented pretext the Japanese landed troops in Vladivostok in April 1918. The ruling circles in Japan set out to destroy the new government and create a puppet government in Siberia. "If we are to speak of the scale of this process," the Japanese commentator correctly notes, "it was not a simple dispatching of troops to Siberia, it was a war in Siberia" (p. 13), a war that caused a great deal of damage and brought incalculable hardships to this country. Japan was the last of the 14 imperialist interventionist powers to withdraw its troops from the young Soviet republic. Only in October 1922 did the Japanese invaders leave the Soviet Far East, while they remained in Northern Sakhalin until mid-1925 and were withdrawn only after the signing of a convention on the main principles of relations between the USSR and Japan.

Japanese anti-Sovietism is characterized by unbridled demagogic speculation over certain events in the history of our two countries during the Second World War. The Soviet Union, for example, is accused of the "perfidious" violation of the Neutrality Pact concluded with Japan in 1941. At the same time the statement made by the Japanese in 1941, immediately following fascist Germany's attack on the Soviet Union, is deliberately passed over in silence. That statement said that since Japan's allies in the anti-Comintern pact were at war with the USSR, the Neutrality Pact had lost its meaning. Having concentrated a huge army in Manchuria and pinned down in this region a major Soviet contingent whose task it was to ensure the security of the Far Eastern border of the Soviet Union, Japan joined Germany in working out plans for dividing Eastern Siberia and the Soviet Far East. It constantly staged armed provocations on the border, intercepted and sank Soviet ships thus violating the treaty.

These events are correctly presented in Iwashita's book. He notes, in particular, that



although the USSR and Japan signed a Neutrality Pact, "still Japan, in accordance with 'the main principles of imperial policy' of June 1942, adopted a course which envisaged 'the solution of the problem of the North through the use of armed force in the event military operations in Germany's war against the USSR are favourable (for Japan)'" (p. 17). An attack was planned on the USSR under the pretext of special manoeuvres by the Kwantung army.

Preparations for war against the USSR went full speed ahead and all that Japan needed was a favourable turn of events to begin its attack on the Soviet Union. However Soviet troops put up a fierce resistance to the German aggressor which made the Japanese government and military command on as early as August 1, 1941, take a decision to postpone hostilities against the USSR. At the same time, however, certain "demands to be made on the Soviet Union (in case of its defeat) depending on the situation" were approved. "These arrogant demands by the aggressors," explains Iwashita, "included the leasing, surrender or demilitarization of the Soviet territories of Northern Sakhalin, the Kamchatka peninsula and the areas east of the Amur river, together with the satisfaction of all Japanese demands concerning fishing agreements. In 1943 the demands were again included in *Guidelines for Directives Concerning the Strategy-Making As Regards the Great East Asian Sphere of Co-Prosperity*. The document named as the inviolable frontiers of the great East Asian sphere of co-prosperity all of the eastern regions of the USSR as far as Lake Baikal and the whole territory of Outer Mongolia" (pp. 23-24).

In order to bring an early end to the Second World War, the USSR complied with the request of its allies to begin military operations against Japan. "Japan itself, having violated the Neutrality Pact embarked on the road of self-destruction," concludes Iwashita. (p. 24).

In a never-ending attempt to discredit the peaceloving foreign policy of the Soviet Union in the eyes of the Japanese people Japan's post-war leaders, in collusion with the top brass, make use of every opportunity for issuing anti-Soviet propaganda. At the same time the unprecedented anti-Soviet campaign in Japan has certain distinctive features. First, its nationalistic, chauvinistic and revanchist character stemming from the illegitimate territorial demands Japan's ruling circles make on the USSR. Special importance

is attached to the "return of the northern territories" movement (including the Southern Kuril Islands which belong to the USSR).

As is known, with the defeat of Japanese militarism, South Sakhalin and the Kuril Islands were returned to the Soviet Union. This was in full accord with the spirit of a number of international agreements signed during and after the end of the Second World War. In particular, the Yalta Agreement of the three great powers—the USSR, the US and Great Britain—signed in February 1945, the author points out, provided for "the return to the Soviet Union of the southern part of Sakhalin Island and all adjoining islands... transfer to the Soviet Union of the Kuril Islands" (p. 26). Having signed the Act of Unconditional Surrender, Japan accepted these conditions, as well as all the conditions of the Potsdam Declaration which stipulates, as Iwashita reminds the reader, that "Japanese sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and those smaller islands which we [the allied powers. — I. R.] shall indicate" (p. 26). The author of the book points out that the special directive issued by the American Occupation Corps Headquarters on January 29, 1946, spoke of the withdrawal from the jurisdiction of the Japanese authorities of the Kuril Islands. The Decree of the Presidium of the USSR Supreme Soviet of February 2, 1946, declared that the Kurils were the property of the USSR. Iwashita reminds the reader that "at that time not even the smallest protest was made against this notice by the commander of the allied forces, or the US, or Japan" (p. 26).

Everything changed with the beginning of the cold war, says the author, with reason. This policy met with the full approval of Japan's ruling circles which hoped to use the disagreements that emerged between the USSR and the US concerning Japan's future development and strove to conclude a unilateral peace settlement with the US. In March 1947, the then Prime Minister of Japan, Yoshida, said expressing his support for the anti-communist Truman Doctrine: "We, too, are joining the struggle against communism. Our most dangerous enemy is to the north" (p. 26).

The post-war history of Soviet-Japanese relations shows convincingly that making territorial demands of the USSR leads nowhere. However, Japan's ruling circles are at present attempting to turn the made-up "ter-

ritorial question" into a kind of regulator of relations with the USSR, making bilateral relations with this country dependent on the solution of that question. However such a position does not benefit Japan itself, first and foremost, because it is frequently more interested in finding the solution to many problems than the USSR is. Iwashita comes to the logical conclusion that the policy of anti-Sovietism is "unrealistic" and constitutes a dead end in its very essence.

In a bid to prove that a Soviet threat exists, the propaganda departments of Western countries, including Japan, give a distorted interpretation of some facts in the history of the Soviet Union's relations with its neighbours. Therefore the author seems justified in including in his book a whole chapter (pp. 41-81) which gives a correct presentation of separate stages in the development of Soviet-Polish relations and the emergence of the crisis situation in Poland.

The author criticises Japan's mass media for giving a slanted view of events in Afghanistan. They often repeat what is reported by the Western information agencies and the Afghan counterrevolutionaries entrenched abroad. The Japanese social commentator stresses that "the Afghan government itself, concerned by the sharp rise in resistance activity by counterrevolutionary gangs asked the USSR, in accordance with the Treaty of Friendship, Good-Neighbourly Relations and Cooperation of December 1978 to send a li-

mitted military contingent to the country" (p. 175).

The author also censures Japan's unconditional support for the US in its policy of economic discrimination against the Soviet Union. "Economic sanctions are powerless against the Soviet Union" (p. 145), Iwashita points out noting that "despite their imposition, from 1980 to 1981, the volume of Soviet foreign trade increased by 18 per cent, and with developed capitalist countries by 23 per cent" (p. 142).

*The Myth of the "Soviet Threat"* by Takeo Iwashita also touches on a number of other questions. However, with the specifics of *Far Eastern Affairs* in mind, it seems expedient in this review to analyze only those aspects of the book which deal to one degree or another with the Far East.

The work under review is not without its shortcomings in regards to structure and methodology. Thematically it is somewhat incoherent and the arguments are not made strong enough in some places which undoubtedly detracts from the book's value. The best parts of the book are those where the author analyzes the negative influence of anti-Sovietism, propounded by the country's ruling circles, on the development of Soviet-Japanese relations. The book's appeal, however, lies in the sincere position of the author who strives to expose the fabrications concerning the "Soviet threat", which are used by the US and Japan to justify their own military buildup.

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